

THE JERUSALEM POST

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Austrian envoy reports on Israeli PoWs Druse PoW may have died in island air raid

By JOSHUA BRILLIANT
Post Defence Reporter
TEL AVIV. — Austrian diplomat Herbert Amry, who has been shuttling between Israeli and Palestinian officials in attempts to arrange for visits to and exchanges of prisoners of war, said yesterday that Naif Hawatmah's Democratic Front for the Liberation of Palestine may have told the truth when it said its captive — Israeli Druse soldier Samir Assad — had been killed during Israel's raid on Palm Island.

Amry, who was addressing a press conference here, appeared to question categorical statements by the Israeli Defence Forces' spokesman and O/C Manpower Ahuf Amos Yaron.

At the press conference, Yaron stressed that Israel had used "all the methods at our disposal" to examine the DFPL's contention that Assad had been on the island off Tripoli during the June 28 attack. "All the examinations showed beyond doubt that Samir Assad was not on Palm Island," Yaron declared.

The IDF spokesman earlier issued a statement saying that "if it transpires that Samir Assad has been killed, his death was a result of cold-blooded murder, or the result of some other circumstances that have absolutely nothing to do with the attack by the Israeli Air Force on Palm Island. By doing so, Hawatmah is trying to twist the truth."

Amry said he was ready to try to find out what happened to Assad (Continued on Page 3)



Austrian Ambassador Herbert Amry (centre) describes his meeting with three Israeli prisoners of war at a press conference yesterday. At Amry's right is Arie Eliav, a close friend; at his left is Shmuel Tamir, chief negotiator on P-O-W exchanges. (Salingor IPPA)

Tamir reports to cabinet.

Israeli describes capture after tank battle in Lebanon

By JOSHUA BRILLIANT
Post Defence Reporter
Israeli prisoner of war Hezi Shaihas described how he was captured by Ahmed Jibril's Popular Front for the Liberation of Palestine — General Command, to an Austrian diplomat, in his first meeting with an independent personality since he was taken prisoner in the war in Lebanon.

Shai was captured after a tank battle at Sultan Yacoub on June 11, 1982. He said that he and Ariel Liberman had been in the same tank, and after getting out and continuing together for some time, they parted ways.

Shai said he found himself among a group of people, asked for water, and ended up in captivity. (Liberman, who was captured by the Democratic Front for the Liberation of Palestine, was released from

Syria recently in a prisoner-of-war exchange.)

Shai described his capture to Herbert Amry, Austria's ambassador to Greece, when the ambassador met last week in Syria with three Israeli prisoners, Nissim Salem, Yosef Grof and Shai. Amry spoke to reporters yesterday, about 12 hours after meeting the families of the three P-O-Ws.

Grof and Salem, who were captured with six other Nabati soldiers near Bhamdoun east of Beirut, are kept at one place, although in separate rooms. Shai is apparently held at another place.

The diplomat said that when he walked into the meeting, he saw Shai sitting calmly smoking a cigarette. During their half-hour conversation in English in the presence of his captors, Shai said he gets enough (Continued on Page 2, Col. 1)



John McEnroe takes a fall in the Wimbledon tennis singles final yesterday, but rises up to dash across and return Jimmy Connors' next ball. McEnroe demolished Connors to win 6-1, 6-1, 6-2 to retain his title in just 80 minutes. Story on Page 4. (UPI telephoto)

TONIGHT
The Sharon Hotel ESRA The Jerusalem Post
present **VIEWPOINT** (in English)

LIKUD OR LABOUR?
A Pre-election Debate

A question-and-answer period will follow the debate.

Ehud Olmert MK and **Dr. Michael Bar Zohar MK**
for the Likud

Moderator: Haim Yavin

with Mark Segal, Political Correspondent, Jerusalem Post.

Tonight, July 9 at 8.00 p.m.
at the Sharon Hotel
Harziya-on-Sea

Admission fee:
ESRA members, IS 800
non-members, IS 800

PLEASE NOTE: The meeting will commence PROMPTLY at 8 p.m. There will be an interval for refreshments at 9.30, followed by further questions (time permitting.)

Seats may be reserved at the Sharon Hotel 052-78777.

UK police blame Lagos for kidnapping plot

LONDON. — The Israeli Embassy here has been observing a pained silence over the involvement of two Israelis in an attempt to kidnap Umaru Dikko, the most wanted opponent of the Nigerian regime, and to fly him back to Lagos in a crate.

In Jerusalem, Israel's government spokesman Michael Nir said: "As far as I know they have no connection with any Israeli organization. We don't know who these people are."

When the story of the Israelis' arrest was first reported on Friday, the embassy said it was no more interested in the two than if they had been picked up on a drug-smuggling offence.

"Since then, the British press has become far more interested in the two Israelis. Having first described them as mercenaries, it later said they are former members of the Mossad, that they led the kidnapping operation and that they may still be connected with the Israeli authorities."

The two are likely to be named next week, if the police charge them.

Scotland Yard now says it is "certain" Nigeria's military government helped carry out the bungled kidnapping. AP reported last night.

British newspapers called for reprisals against Nigeria yesterday, saying its military rulers were clearly behind the kidnapping attempt.

Both Lagos and London conducted an elaborate exercise of outrage combined with tact as policemen investigating the bizarre abduction continued interrogating the two Israelis and two other men.

Members of the Commonwealth and partners in trading billions of dollars, Britain and Nigeria were trying to keep their diplomatic relations alive while offering sharply divergent views of the kidnapping. Lagos denies any hand in the incident.

The military government in Lagos, which seized power in a coup that forced Dikko to flee early this (Continued on Page 2, Col. 2)

Likud poll shows gap with Labour narrowed

By SARAH HONIG
Post Political Reporter
TEL AVIV. — According to an opinion poll conducted by the Likud after the launching of the election campaign on television, and possibly according to a Labour poll as well, there has been a significant narrowing of the gap between the two major parties recently, although the Alignment still holds the lead.

While Likud sources admit to having conducted their poll, the Labour version is a bit blurred. Officially, the line in Labour is that there is no news on the polling front and that the gap between the two parties is still wide as recent newspaper polls have indicated, namely some 15 Knesset seats in Labour's favour. But privately, leading Labour campaign managers admit that a secret private party poll bears out the results of the latest Likud poll, which were only computed yesterday.

According to that poll, the gap has shrunk, giving Labour only a lead of seven Knesset seats, with Labour standing at 48 seats to the Likud's 41. Earlier predictions gave Labour a 15-seat lead. Yesterday's results are based on a nationwide poll in which a random sample of 1,004 Israelis were interviewed between July 1 and July 4. The poll was conducted by Dr. Sarah Shemer, until recently head of the Modi'in Ezrahi Research

Institute.

According to some Labour sources, a similar picture emerges from a private Labour poll. Sources in both parties say that the result indicates that the situation is still fluid, although Labour continues ahead of the Likud. With two weeks left to polling day, say experts in both parties, nothing is final, and for the first time there is discernible movement in Likud's direction, indicating that the result is not a foregone conclusion.

According to Shemer, her poll indicates a change in the attitude of the floating voters, many of whom were Likud supporters in 1981 and some of whom are apparently returning to their political base. She notes that additional questions in the polls indicates a strengthening of the Likud's position, in that there is growing identification with the party, confidence in it and agreement with it.

On Labour's side, one explanation put forth for the discrepancy between the reports from the different Labour sources is that there are two pollsters, each conducting private polls. It is possible, say Labour sources, that it is one of the two whose results roughly bear out those of the Likud polls, while the other shows no difference from the picture so far.

Five arrested at Peres rally

By MENAHEM HOROWITZ
Jerusalem Post Reporter
TIBERIAS. — Five persons were arrested in a violent disturbance unprecedented during this election campaign, when demonstrators here last night tried to attack Alignment leader Shimon Peres.

Hecklers shouted "Peres Go Home" and "Arik King of Israel" for more than an hour while Peres addressed a mass rally. They then started to throw stones and bottles and fight with police.

Peres shouted back at the hecklers: "It won't help you. We're going

to wage a civilized campaign. We won't shout or smear. We're one people."

Earlier in the day enthusiastic crowds had welcomed Peres to Tiberias.

"Fishermen support the Alignment," read one of many friendly placards, and the police had their work cut out to keep the amiable crowd from sweeping him off his feet.

A Likud supporter was heard to say: "Three years ago a battalion of police couldn't have protected him." Peres told the crowd that 26 Katyusha rockets had been fired at Galilee from South Lebanon in the last year, but fortunately no one had been hurt. He added that between Beirut and the international border there were 8,000 terrorists, plus 4,000 Lebanese residents hostile to Israel.

Peres said that when the Likud took over in 1977, there were 22,000 people in Eilat. Now there are 17,000.

Haifa port shut, bank workers may walk out Stepped-up efforts to end academics' strike

Labour negotiations continued on many fronts yesterday, and some disputes were settled, at least temporarily. But others erupted as the pre-election period of pressure to secure gains entered its final two weeks.

Among the new disputes were those of bank workers and Haifa port marine officers, while customs officials planned to reinstitute their slowdown at Ben-Gurion Airport.

In Jerusalem, Finance Ministry director-general Nissim Baruch met last night with representatives of the striking engineers and university graduates in an attempt to resolve their week-long strike. Participants reported after the meeting that progress was made, though no agreement was reached.

Participants said that both sides appeared amenable to solving the strikers' wage demands within the framework of the 8 per cent "union margin" that was incorporated in the public-sector agreement signed two weeks ago. The engineers and the graduates refused to sign the agreement.

Compiled from reports by Roy Isacowitz, Ya'acov Friedler, Avi Temkin, Liara Moriel and Greer Fay Cashman.

Concerning the strikers' demand for a new professional wage scale, both sides reportedly agreed that a committee be established to study the five factors that the strikers say differentiate them from less skilled workers: specialization, responsibilities, education, achievements, and professional contribution.

A willingness to compromise was apparently evident in the engineers' agreement to study the cost to the state of their proposal.

The sources added that it was agreed to convene a meeting of the public employers, the Histadrut and the engineers and graduates in an effort to reach agreement. The meeting could be held as early as Wednesday.

The Histadrut and the two rebel unions have fallen out over the unions' refusal to sign last month's agreement and over their demands for a new wage scale. The unions' national conventions are due to con-

vene on Wednesday to discuss the possibility of quitting the labour federation and establishing independent unions.

Engineers and graduates union leaders met with Histadrut Trade Union Department head Haim Haberfeld at Tel Aviv Histadrut headquarters late last night in a further attempt to avert a split. The meeting was continuing at press time.

Histadrut sources said earlier yesterday that the strikers are "asking for something that no one can give them" — namely, a preferential, unlinked wage scale. Any compromise with the strikers will lead to the collapse of the Histadrut, one source said.

The Histadrut Central Committee yesterday called on the engineers and the graduates to refrain from any action that could harm workers' unity. Secretary-General Yisrael Kessar said that the Histadrut will do all in its power to find solutions to the problems facing the strikers within the framework of the general labour organization.

Academics union secretary Ya'acov Unikovski said before yesterday's talks that the strikers will intensify their sanctions if no progress is achieved. Yesterday, 1,200 engineers employed by the Koor group joined the strike, and engineers still working at defence plants for security reasons were withdrawn.

The strike has not yet had a palpable effect on most of the public. Industry sources say, however, that if it continues much longer, the long-term consequences could be serious.

(Continued on back page)

Protests block Beirut's 'Green Line'

BEIRUT (AP). — Families demanding the release of thousands of Civil War kidnap victims used trucks, burning tires and dirt barricades yesterday to seal newly reopened intersections joining Christian and Moslem sectors of Beirut.

No violence was reported during the protests, which continued late into the afternoon to block three of the four major intersections on the so-called "Green Line."

The army had finished clearing the crossings of mines and barricades Saturday night to link East and West Beirut for the first time in five months.

However, the atmosphere is the battle-weary capital was festive as thousands of people flocked to

beaches and restaurants for the first time in months, appearing confident that the truce would hold.

Druse leader Walid Jumblatt, who is also minister of public works and tourism in Prime Minister Rashid Karameh's government, meanwhile announced that Beirut's international airport and port would reopen early today for the first time since February 6.

Reopening the major intersections slicing the capital in two and putting the port and airport back into operation were key objectives of the Syrian-backed security plan implemented in Beirut last Wednesday when the army assumed control of the capital from rival militias.

Israeli soldier wounded near Tyre

By MENAHEM HOROWITZ
Jerusalem Post Reporter
METULLA. — An Israeli soldier was injured yesterday east of Tyre when an Israeli Defence Forces roadblock at which he was on duty came under light-arms fire.

He was taken to Rambam hospital in Haifa.

The attackers escaped through the

nearby fields.

Israeli and local authorities have been trying lately to set up local councils in Shi'ite villages, to reduce attacks on the IDF. In those villages where notables prevent attacks, the South Lebanon Army is to facilitate the commercial dealings of residents with Beirut through the port of Sidon.

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Amsterdam	10	18	10	1-2
Brussels	12	22	10	1-2
Geneva	12	22	10	1-2
London	12	22	10	1-2
Paris	12	22	10	1-2
Rome	12	22	10	1-2
Toronto	12	22	10	1-2
Zurich	12	22	10	1-2

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THE WEATHER

	Humidity	Min	Max
Jerusalem	46	16-24	24
Golan	46	16-24	24
Nahariya	46	16-24	24
Tiberias	46	16-24	24
Nazareth	46	16-24	24
Alula	46	16-24	24
Shimon	46	16-24	24
Tel Aviv	46	16-24	24
B-D Airport	46	16-24	24
Jericho	46	16-24	24
Gaza	46	16-24	24
Beersheba	46	16-24	24
Eilat	46	16-24	24

SOCIAL & PERSONAL

Professor Nahum Rakover, deputy attorney general, has been elected a fellow of the International Institute for the Unification of Private Law based in Rome. Rakover is in charge of a Justice Ministry project of integrating Jewish law into the laws of the state.

George Giacomakis has been elected chairman of the board of directors. Jerusalem International YMCA succeeding to Pinhas Rabinowitz, Rolando Eisen and Rev. Robert Craig. CBE, have been elected vice-chairmen in succession to Brandon Grove and Donald Hamley.

Prizes for 1984 will be awarded tomorrow evening by the Edis De-Philippine Fund, at a ceremony marking the sixth anniversary of De-Philippine's death, at ZOA house in Tel Aviv, 7 p.m. Pianist Yitzhak Steiner and singers from the Israel Opera company will perform.

Haim Shapiro, food columnist for The Jerusalem Post, will speak at the Hebrew University Forum, 2 Rehov Agnon, at 8 o'clock this evening.

Italian film delegation for talks on cooperation

Jerusalem Post Staff
An official Italian delegation arrived in the country on Saturday night to discuss an agreement on joint Italian-Israeli film productions. According to a spokesman for the Israel Film Centre at the Industry and Trade Ministry, such agreements exist with France, the German Federal Republic, Canada, Sweden and Belgium.

(Continued from Page One)
food and, in cases of need, a doctor's attention.

Amry said he believed Shai was being treated "quite well." He said Shai reported having read books, occasionally watching television and working on a 4,000-piece jigsaw puzzle, which took him a month and a half to assemble. He also exercises daily in his room, which is quite big, Amry said.

Shai and Amry had their picture taken together and Shai wrote his wife a letter which Shmuel Tamir, who heads the Israeli team trying to secure the P.O.W.'s release, said was in a handwriting that showed that he was in good spirits.

Tamir yesterday reported on the contacts with the P.O.W.s to the cabinet, which sat at the Ministerial Security Committee. Also attending the press conference was Aric Eliav.

HOME NEWS

Alignment won't let Likud sidetrack its campaign, says Gur

By MICHAEL YUDELMAN
Jerusalem Post Reporter
HERZLIYA. — The Alignment will continue its campaign strategy of focusing on relevant national issues, without being sidetracked by matters brought up by the Likud, campaign manager Mordechai Gur told a news conference yesterday.

Gur emphasized that the Peretz family affair was a one-time deviation from that strategy.

Campaign adviser Yossi Sarid did not resign from the campaign, as was reported yesterday, but merely walked out of a discussion on the treatment of the Peretz affair, following an insulting comment made by the representative of the Alignment campaign's public-relations firm Kasher Barel, he said.

From now on, Gur said, the political team supervising the campaign will make the final decisions on matters of a sensitive nature.

Gur was emphatic that the Alignment's lead over the Likud still stands at 54 to 39. He said the Alignment conducts surveys each evening after the election broadcasts.

Meanwhile, the Likud is objecting to having journalists present at tomorrow's television confrontation between Prime Minister Yitzhak Shamir and Alignment leader Shimon Peres. Sarid reported after a meeting with the Likud team organizing the confrontation. Sarid said

ELECTIONS

The Alignment insists on having journalists present.

Reporting on a meeting between Election Committee chairman Justice Gavriel Bach and the Likud's Ronnie Milo, Alignment information chairman Moshe Shahal said he had brought back large quantities of material showing Likud violations of the election law. He had also brought documents indicating the Likud's intention to deliberately heat up the election campaign.

Shahal said Milo refused to stop the practice of picking on persons who speak out for the Alignment.

Shahal said he asked Bach to condemn Likud Knesset Member Ehud Olmert, who was either negligent in checking the facts about Shoshana Peretz or deliberately hiding them in his television interview with her last week. When Milo was asked by Bach why the Likud did not complain to him or to police if Peretz really had been threatened by Alignment activists, Milo had no answer. Shahal said.

Shahal reported that Bach said he had disqualified parts of the Alignment election broadcast about Peretz not because he doubted their accuracy, but because he wanted to protect her privacy.

Shahal added that Bach explained that he had cut military shots from the Alignment's broadcasts earlier last week to prevent other parties using pictures of other wars.

Toss of coin gives Shamir last say in debate with Peres

By SARAH HONIG
Post Political Reporter
TEL AVIV. — A coin tossed by a local cafe owner has determined that the debate between Prime Minister Yitzhak Shamir and Labour chairman Shimon Peres tomorrow will take place in the Likud studios at Kfar Hameukabim. This was the venue of the 1981 debate between then-prime minister Menachem Begin and Peres.

The second coin tossed by the same man also gives Shamir the last word in the debate, which Peres will open.

The two coins were flipped by the owner of the Engel Cafe here by mutual consent of Knesset Members Yossi Sarid and Ronnie Milo for the Alignment and Likud respectively, as they lined out the final details of the confrontation.

The actual debate will take place at 11 a.m. and be taped for screening at 9:30 p.m. tomorrow during the parties' televised campaign time.

The two large parties are each donating 15 minutes of their TV time to the debate, which will be moderated by Dan Patir, a former *Davar* journalist and press advisor to former premiers Yitzhak Rabin and Begin.

The first debate question will deal with social issues and Peres will respond first. The next question on foreign affairs will be answered first by Shamir. Peres will go first on the third question, dealing with the economy. Shamir will open on the fourth question on defence. The final question will allow each candidate to state his political credo, and here Shamir will have the last word. In all, Shamir will have three last replies, to two for Peres. There will be time limits for the responses to the questions. The camera will focus on the speaker only, with no reaction shots of his opponent.

whole and expressed confidence that it would return to its previous high level.

Up to now, he said, dozens of complaints from the two major parties have been dealt with "in a very positive spirit."

Bach stressed that if anybody tries to harass anyone appearing in an election broadcast, a complaint should be submitted to Bach and he would deal with it together with representatives of the parties concerned.

If necessary, he promised, he would call for an enquiry commission in such instances.

Political broadcast standards agreed on

Jerusalem Post Reporter
Justice Gavriel Bach, chairman of the Central Elections Committee, yesterday discussed with representatives of the Likud and Alignment what is and what is not permissible in election broadcasts.

It was agreed that no use would be made of Israel Defence Forces operations and that there would be no invasion of privacy except when necessary to rebut a charge. Even then, it was agreed, an effort would be made to be "fair and reasonable" and not to wander into irrelevancies.

Bach expressed gratification with the conduct of the campaign on the

Druckman raps NRP on surplus votes

Jerusalem Post Reporter
Knesset Member Rabbi Haim Druckman, who heads the Morasha list (comprising Matzad and Palei Agudat Yisrael), yesterday attacked the decision of the National Religious Party not to sign a surplus-votes agreement with Morasha.

Speaking in Netanyahu, Druckman said a party that was prepared to let thousands of religious votes go to waste did not deserve the public's confidence.

Earlier yesterday, MK Yehuda Ben-Meir said in a press communiqué that Matzad, which had split the national-religious camp and teamed up with a non-Zionist party, had no right to complain.

Its leaders could not clear their consciences by a surplus-votes agreement, which, "according to va-

Legality of \$15,000 payment to Nissim Baruch queried

Jerusalem Post Staff
Finance Ministry director-general Nissim Baruch may have broken the law three and a half years ago by accepting a \$15,000 commission for arranging the sale of the Rascos housing company, which he then managed, by the Jewish Agency, it has been reported.

Baruch received the money, *Ma'ariv* disclosed last weekend, from Agency Executive chairman Arye Dulzin, after Rascos was sold to a group of private investors led by Economics Minister Ya'acov Meridor and others identified with the Herut Party.

Dulzin last night defended the payment, calling it customary for a company's manager to receive such a bonus on successful completion of a deal. Baruch said that the money came only after the sale, which he "volunteered" to help arrange at a time when Rascos was in dire straits.

But Tel Aviv advocate Yehuda Ressler told television's *Mabar* last night that in his opinion, the payment was a breach of the Companies Law, which forbids the manager of a corporation to receive direct private benefit as a result of his work for the company. And since Rascos was a public corporation, Ressler added, the act may also have constituted a breach of trust by a public official, listed as an offence by the penal code.

Farrakhan to sue U.S. media for 'lies'

INDIANAPOLIS, Indiana (AP). — Black Muslim leader Louis Farrakhan, denouncing the news media as "wicked liars," vowed on Saturday to sue any newspaper that reported that he had described Judaism as "a gutter religion."

"If I have said something wrong, naturally it's right that I apologize. But I cannot apologize for the press' lies," he told a cheering crowd.

"I announce here today that I am suing the *Chicago Sun-Times*, the *Chicago Tribune*, The New York Post, The New York Daily News, The New York Times and all other

Radicals supporting Rakah

Jerusalem Post Reporter
Twenty-five of the more radical Palestinian figures in the West Bank and Gaza District have published a letter of support for the (Communist) Democratic Front for Peace and Equality, which is battling for the Arab vote in this month's elections.

The letter, it is believed, will help the DFPE maintain its self-sewn mantle as the only authentic voice of Israeli Arabs against what appears to be mounting challenge from the Progressive List for Peace headed by Haifa lawyer Mohammed Miyari.

Among the letter signers are the former mayors of Nablus, Ramallah and El-Bira, respectively Bassam Shak'a, Karim Khalaf and Ibrahim

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EYE-WITNESS

Navon finds Katamon has changed since '81

By ROBERT ROSENBERG
Like a Daniel venturing into a lion's den, Labour Party candidate Yitzhak Navon yesterday walked through the apartment blocks of the Likud's most famous Jerusalem stronghold.

"I can't remember the last time a Labour Party person was on this street," said one of several T-shirted activists waiting outside an apartment block in Rehov Bar-Yohai, deep in the heart of the Katamonim, a neighbourhood once famed for its slums and occasional riots. "But Navon, Navon, he's like a prince."

The former president — or as he prefers, the fifth president — visited five different homes, met with Teddy Kollek outside a community centre and both gave and heard promises.

The promises he heard came from people who identified themselves as "past Likud voters," who said they would "do anything" to get Navon elected. The promises he gave were not so much specific — though he did promise to see what could be done about a leaky roof, and said he has an idea about raising the money to complete a Syrian community synagogue — as almost spiritual. "An open door that will be as open as my heart," is what he promised in one home, where a mother of 11 asked that something be done about an outdoor porch roof so that in the summer there'd be a place to sit outside.

"An oral history," is what he promised elderly "Uncle Yusuf," who in 1961 led his fellow villagers from Syria across the border into Turkey and on to Israel. "You ought to tell the story not only for your

sake but for the sake of the entire Jewish people," said Navon to the tough-palmed man in the beret who spoke in Arabic while Navon translated for the crowd in the tiny flat.

Outside each apartment, the same group of children, waving Likud posters, screamed, "Likud, Likud" as Navon sat inside. Whenever Navon came out, the shouts of "Navon, Navon" and "Likud, Likud" curiously combined to sound like "David, David." He ignored the shouts, and the word went out among the Obel activists that "as long as it's children, it's okay. They can't vote."

Indeed, to those who had seen the election campaign in 1981 and the way Alignment activists in the Katamonim had their windows smashed, their cars burned, and were the targets of other acts of violence, the Navon visit yesterday seemed positively idyllic. Nobody pounded on his car in the way Shimon Peres's car was attacked when Peres drove through the neighbourhood in '81. Neither were there any Likud demonstrators over the age of about 10. In 1981, the Likud took three times as many votes in the Katamonim as Labour.

Navon's long-time political colleague, Teddy Kollek, was able to persuade one floating voter that this time he should vote Labour and not Likud. "You're absolutely right," said the mayor, when the blue-shirted man approached him after the mayor shook hands with Navon for the photographers. The potential voter had complained that while he's now disappointed with the Likud, he wants "to hear clear policies."

Kollek's agreement that there was a need for such clarity left the man in the blue workshirt beaming. As he left the small rally in front of the community centre in Gonen, the man turned to his friend and said: "If both Teddy and Navon say vote Labour and say they'll change things, then I'll do it. I'll vote Labour."

And Ya'acov Yoria, who with Yamin Suissa of the Obel movement accompanied Navon through the neighbourhoods, explained: "We're going to be like America. We'll give Labour a chance now. But in four years, watch out. If they aren't any good... out they go."

Arens changes Likud tone for English-speaking crowd

By MICHAEL ELIEN
Moshe Arens last night demonstrated that understatement need not dilute the basic thrust — or the effectiveness — of the Likud's campaign.

The superlatives heard in most Likud ministers' speeches were missing. So was the passion. But that seemed to suit the audience. The defence minister was speaking in English, to English speakers, at the Laromme Hotel in Jerusalem.

The large hotel ballroom was packed for the election rally. But a very large part of the audience seemed to be tourists, who can't vote, and nearly all of those questioned who can vote said before Arens's speech that they planned to vote Likud.

The usual order of priorities in presenting the Likud's case was changed. The only thing similar to most speeches delivered in Hebrew was that the problem of inflation was dealt with briefly.

Arens said the solution to inflation was in developing industry.

Later, when answering questions, he added that "some belt tightening" was necessary and any future government would have to do it. Asked why that hadn't been done until now, Arens blamed the Histadrut.

Body of drowned youth washed up on beach

ASHKELON (Iim). — The body of Haim Ohion, 19, was washed up on the beach here yesterday morning. The youth, an Ashkelon resident, went swimming in the sea on Friday night with a friend but was caught in an undertow.

(See story on swimmers, page 3)

EYE-WITNESS

Navon finds Katamon has changed since '81

By ROBERT ROSENBERG
Like a Daniel venturing into a lion's den, Labour Party candidate Yitzhak Navon yesterday walked through the apartment blocks of the Likud's most famous Jerusalem stronghold.

"I can't remember the last time a Labour Party person was on this street," said one of several T-shirted activists waiting outside an apartment block in Rehov Bar-Yohai, deep in the heart of the Katamonim, a neighbourhood once famed for its slums and occasional riots. "But Navon, Navon, he's like a prince."

The former president — or as he prefers, the fifth president — visited five different homes, met with Teddy Kollek outside a community centre and both gave and heard promises.

The promises he heard came from people who identified themselves as "past Likud voters," who said they would "do anything" to get Navon elected. The promises he gave were not so much specific — though he did promise to see what could be done about a leaky roof, and said he has an idea about raising the money to complete a Syrian community synagogue — as almost spiritual. "An open door that will be as open as my heart," is what he promised in one home, where a mother of 11 asked that something be done about an outdoor porch roof so that in the summer there'd be a place to sit outside.

"An oral history," is what he promised elderly "Uncle Yusuf," who in 1961 led his fellow villagers from Syria across the border into Turkey and on to Israel. "You ought to tell the story not only for your

sake but for the sake of the entire Jewish people," said Navon to the tough-palmed man in the beret who spoke in Arabic while Navon translated for the crowd in the tiny flat.

Outside each apartment, the same group of children, waving Likud posters, screamed, "Likud, Likud" as Navon sat inside. Whenever Navon came out, the shouts of "Navon, Navon" and "Likud, Likud" curiously combined to sound like "David, David." He ignored the shouts, and the word went out among the Obel activists that "as long as it's children, it's okay. They can't vote."

Indeed, to those who had seen the election campaign in 1981 and the way Alignment activists in the Katamonim had their windows smashed, their cars burned, and were the targets of other acts of violence, the Navon visit yesterday seemed positively idyllic. Nobody pounded on his car in the way Shimon Peres's car was attacked when Peres drove through the neighbourhood in '81. Neither were there any Likud demonstrators over the age of about 10. In 1981, the Likud took three times as many votes in the Katamonim as Labour.

Navon's long-time political colleague, Teddy Kollek, was able to persuade one floating voter that this time he should vote Labour and not Likud. "You're absolutely right," said the mayor, when the blue-shirted man approached him after the mayor shook hands with Navon for the photographers. The potential voter had complained that while he's now disappointed with the Likud, he wants "to hear clear policies."

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The First World Conference of Hungarian-Speaking Jews
July 9-12, 1984
Conference registration and distribution of entrance tickets to events will take place today, Monday, July 9, 1984 at Binyanei Ha'uma bridge entrance in Jerusalem from 9.00 a.m. until 6.00 p.m.
The opening ceremony of the Conference will commence at 7.30 p.m. this evening (9.7.84), also at Binyanei Ha'uma, Jerusalem.
For further details: Tel. 02-221174.

RUDOLF ELEFANT
The funeral service took place in New York on July 5, 1984 and interment took place on Motzaei Shabbat, July 7 in Israel.
Theresa Elefant, New York
Martin and Beverly Elefant, New York
Dorothy and Yala Raul, Jerusalem
Sheila and Bruce Stroock, New York
and all the grandchildren

CECILIA (Chippy) FRIEDMAN
Two years after the death of our beloved
we will gather at the grave to cherish her memory on Wednesday, July 11, 1984 at 5 p.m. at the Old Cemetery, Hot Hacamel, Haifa
Solly Friedman and Family

TO DAPHNE RAZ AND THE ADIV FAMILY
Your many Montreal friends share your grief and deep sorrow on the loss of your dear
MOTTI
Bernice and Gordon Brown

Dr. DAN JAACOV SLOMAN
is no more.
For details of the funeral, phone 03-344440.
The Family

HOME NEWS

Criticism mounts over 'land giveaway' scheme

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — The board of directors of the Israel Land Administration is to meet tomorrow to decide how to compensate farmers who leased agricultural land that has now been rezoned for building.

According to a proposal by I.L.A. director-general Moshe Lipke, a person leasing such land would be able to receive its full market value for up to 20 dunams. The remainder would go to the I.L.A.

The I.L.A. spokesman Mickey Dunkelmann insisted that national land is not to be sold, rather the lease is to be transferred, with farmers receiving compensation. He also said that there would be no mass rezoning of agricultural land into building land. Such deals with farmers would be made only after the land has been rezoned — a long process — and not at the farmers' initiative.

Dunkelmann added that the proposal is being made now because only a small number of persons

hold such land, and until now, they had no incentive to return the land to the I.L.A. Their leases, some of them decades old, contain no provision for compensation if the land is rezoned.

Dunkelmann estimated that only about four or five persons are involved, though other sources said that the number might be closer to 20.

Simha Assaf, secretary-general of the Histadrut-affiliated Agricultural Centre who is also a member of the I.L.A. board, said that he could not understand the rush to pass the proposal two weeks before the election. It smells like an election gift from I.L.A. chairman Agriculture Minister Pessah Grupper to private farmers who own agricultural land in cities, he charged.

Assaf proposed at a meeting of the I.L.A. last week to postpone the decision until after the election. He said that this would give all the board members time to study the proposal and raise other and maybe better ideas.

Dunkelmann said that the I.L.A. board has met so often of late because there is a need to "clear the

table" of many problems that accumulated during a hiatus of nearly a year since the death of the previous minister, Simcha Ehrlich.

He also denied that the farmers would receive huge sums of money from the proposed deal. Experts at the I.L.A. calculated that farmers would keep only about 20 to 30 per cent of the sums involved, after taxes are deducted.

Finance Ministry sources, however, expressed wariness at the proposal. While they quoted Grupper as denying at yesterday's cabinet session that the proposal would mean a massive giveaway of state land, they said that a thorough examination of the plan would be undertaken to see if it has any "negative" aspects.

Officially, the ministry declined to comment. But on several occasions recently, ministry officials have indicated their dissatisfaction with Grupper's running of the I.L.A. Before he resigned as finance minister, Yoram Aridor tried in vain to place the I.L.A. under his control.

Maof buys Boeing 707 passenger plane

Post Aviation Reporter

TEL AVIV. — The privately owned Maof charter airline has bought a Boeing 707 passenger plane which it plans to use for flights to Swaziland and Europe.

The Boeing 707, bought from British Airways, was built in 1971 and has made just over 10,000 landings. Maof managing director Yitzhak Gadish told *The Jerusalem Post* yesterday. British Airways used it on long-haul flights to Latin America until it phased out 707s on those routes.

Monarch has been contracted to carry out the major checks and maintenance of the 707. The plane will have 189 seats, and two extra toilets have been installed, bringing the total to six. The first flight is due here on July 23, election day, early enough to give returning Israelis time to vote.

The current Maof fleet comprises two Boeing 720s, owned by Maof, and a Boeing 707 leased from an American carrier.

Maof would not say how much it had paid for the plane.

Tel Aviv swimmers rescue three from possible drowning

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Three persons were saved from possible drowning here yesterday after they entered the water despite the high waves and lack of lifeguards. They were dragged ashore by other bathers and surfers.

At Gordon beach, 13-year-old Haim Leder of Bnei Brak was swept seaward at 10.45 a.m. and, after calling for help, was pulled out by other bathers. A little later, Motti Zino, 20, of Jerusalem, was pulled out of the water at Hilton beach. At 2 p.m., a French woman was rescued minutes after she entered the water. She was the only one taken to a hospital for treatment.

A lifeguard said yesterday that since the three persons involved can swim, it proves that lifeguards are essential at the beaches. He was commenting on Mayor Shlomo

Lahat's recent statement that lifeguards are not necessary and "people who can't swim shouldn't enter the water."

The three beaches at which the rescues took place were not supervised by lifeguards, who are involved in a work dispute with the municipality. Twenty temporary lifeguards have been hired as a result of which several beaches are unattended.

On Saturday, seven persons were rescued when four-metre high waves almost flooded the entire coastline. Two persons were reported missing, but lifeguards said yesterday that these reports were probably false alarms. If anyone had drowned, they said, someone would have come looking for the missing person. Lifeguards also said that when the sea is so stormy, bodies are washed ashore within 24 hours, and no body had been spotted by yesterday evening.

Holon man to jail for violent robberies

TEL AVIV (Itim). — A 22-year-old Holon man was sentenced to seven years in jail by the Tel Aviv District Court yesterday for his part in a series of violent robberies.

The man, Tzafir Cohen, was found guilty of robbing old women of their jewelry and cash. His suspected partner, Avraham Sasson, 21, has been arrested but has not yet been brought to trial.

Judge David Wallach said before sentencing that if Cohen were

judged and sentenced separately on each of the charges against him, he could be sent to jail for 180 years.

Cohen's father told the court of his son's difficult early years, when he was brought up by several stepmothers. The court said that this did not excuse his crimes. The court added that the elder Cohen bore some responsibility, because he would take money from his son without asking where it came from.

Road bypass near airport is approved

Jerusalem Post Reporter

An eight-kilometre section of road bypassing the existing road between Ben-Gurion Airport and the Israel Aviation Industries was approved yesterday by the cabinet.

The bypass will be east of the existing road, the scene of numerous accidents in the past. The new routing is a change in the national highway-outline plan.

Builder accused of evading taxes

TEL AVIV (Itim). — A building contractor was charged by the Tel Aviv Magistrates Court yesterday with failing to report income to the tax authorities.

A tax inspector told the court that the contractor, who worked on house-frame building and repairs in Judea and Samaria, had admitted to concealing hundreds of thousands of shekels of income.

The suspect was released on IS500,000 bail.

Remand for suspect in fatal car bombing

TEL AVIV (Itim). — A 27-year-old resident of Kiryat Ono was remanded into custody for five days by the Tel Aviv Magistrates Court yesterday on suspicion of involvement in a car bombing in which two persons died.

The bombing took place in Derech Hanizahon two weeks ago.

The man, Ya'acov Salah, was remanded after the police representative showed the court classified material allegedly linking Salah to the crime.

Salah denied any connection with the bombing.

Policeman charged with bribetaking

HAIFA (Itim). — The intelligence coordinator at the Jenin police station was charged here yesterday with taking bribes, trying to get a complaint against him to change his testimony and abusing his position.

Rav-Samir Rishon (staff sergeant), Shabai Saban, 39, was charged in the Haifa District Court with regularly borrowing video tapes from a Jenin library without paying the IS500,000 he would be now have owed.

After being questioned on the matter, Saban then allegedly tried to pressure the library owner, Jenin Deputy Mayor Ibrahim Nassar, to withdraw his complaint.

Saban is also said to have received bread from a local bakery without paying, and other food items from a store in this northern Samaria town at much less than their value.

Child development congress opens today in Jerusalem

Jerusalem Post Staff
The First International Congress on Child Development is to open today at the Jerusalem Hilton. Some 300 experts from Israel and abroad are expected to participate.

The congress is sponsored by the Jerusalem municipal Public Health Department and the Israel Rehabilitation Association.

Correction

Commander Yehoshua Caspi, who handed over command of the police southern district on Friday, is not leaving the force, as reported yesterday. He has been appointed Israel Police representative in the U.S.

FESTIVAL — An "Until the Morning Light" musical extravaganza tonight involving Israeli and foreign artists will open the week-long Kinneret Festival in Tiberias. The events will include music, dance, painting and other cultural events at various sites in the area.

Notice regarding the freedom, secrecy and honesty of the elections

Pursuant to para. 16 of the Election Law (Electioneering Methods) 1959, the Chairman of the Central Elections Committee brings to the notice of the public the fact that elections to the Knesset are free and secret. Every citizen is entitled to vote freely and according to his conscience alone for one of the lists of candidates that have been approved for the elections for the Eleventh Knesset.

The Central Elections Committee has taken every appropriate step to ensure the secrecy of the elections, to prevent any possibility of discovering how a citizen voted.

These are the principal methods:

The envelope in which the voter places his ballot card is completely opaque and may be sealed by the voter.

Every electioneering booth will be provided with a curtain to guarantee the voter absolute privacy.

The voter, and only the voter, is entitled to place his/her ballot card in the envelope and the closed envelope in the ballot box where it is mixed up together with the envelopes of the other voters in the same area. But a person that is sick or disabled, and is unable to vote unaided, may bring another person with him, to provide physical aid.

The Law provides serious penalties for acts of bribery, or threats in connection with the elections, for disturbance of the elections and for voting not according to the provisions of the Law.

Five years imprisonment or a fine of IS 3,000,000 or both may be imposed on anyone who gives or offers a bribe to a voter, in order to influence how he votes; on anyone who accepts or agrees to accept a bribe, in connection with how he will vote; on anyone who threatens a voter with damage if he votes, or alternatively, if he does not vote; on anyone who promises a voter work, or threatens him with dismissal, in order to influence him to vote for any particular list.

Two years' imprisonment or a fine of IS 25,000 or both may be imposed on whoever disturbs the normal conduct of the elections in any way or who presents to a voting-station committee a voter's card or identity card which is not his/her, or who attempts to vote more than once.

I am sure that the provisions of the Law and the arrangements of the Central Elections Committee are sufficient to ensure that every citizen may vote freely, according to his will and conscience.

I call on all voters to use their right to vote, I call on all voters to cast their vote, in accordance with their own choice, and without fear of any kind.

Gavriel Bach, Judge of the Supreme Court
Chairman, Central Elections Committee for the Eleventh Knesset



Jerusalem Mayor Teddy Kollek addresses memorial meeting for late Jerusalem Post editor Ted Lurie in Beit Agron in Jerusalem yesterday. Sitting at table are (left to right) Justice Haim Cohn, Post editor and managing director Ari Rath, former Ma'ariv editor Shalom Rosenfeld, the deceased man's brother Jesse Zel Lurie, and Post editor Erwin Frenkel. (Rahamim Israeli)

Haim Cohn: Freedom of press a social right

By GREER FAY CASHMAN
Jerusalem Post Reporter

Freedom of the press is not a special privilege accorded to journalists, but a social right, former Supreme Court Justice Haim Cohn said yesterday. He was giving the main address at a memorial assembly ceremony in Beit Agron in Jerusalem for Ted Lurie, editor of *The Jerusalem Post* who died 10 years ago.

Cohn added, however, that although all people are entitled to gather and disseminate information, some sensation-seeking journalists who have no moral or ethical qualms believe that freedom of the press is a right to intrude on the privacy of the individual.

The meeting was also addressed by Shalom Rosenfeld, emeritus editor of *Ma'ariv*. Rosenfeld recalled that although in pre-state days he was on the dissident Right and Lurie

was active in the Hagana, the two men became friends.

Rosenfeld said it was admirable that Lurie had never permitted his political outlook to interfere with his sense of editorial balance. Rosenfeld had vivid recollections of Lurie arguing with government representatives and with the censor's office for the right to publish information.

Jerusalem Mayor Teddy Kollek told the assembly that his friendship with Lurie dated back to Mandatory times. He recalled the frequency with which he and Lurie, and the late Lea Ben Dor, who succeeded Lurie, had sat in the office of *The Post's* founding editor, Gershon Agron, debating the next day's stories, planning the way in which the paper would do battle on behalf of the Yishuv against the authorities of the day. And when they had talked themselves dry, they all knew behind

which books they could find a bottle of cognac.

When Kollek decided to run for municipal office, it was Lurie's advice and guidance that he sought. Kollek's cameo of Lurie was carved as much in courage as in wisdom. He recalled the financial difficulties of *The Post* when it came under Lurie's stewardship. Lurie nevertheless had succeeded in maintaining the paper's independence, and had dared, albeit with tact and diplomacy, to defy the Histadrut, the Jewish Agency and the government.

A Ted Lurie memorial scholarship in journalism, to be awarded in the next academic year to a Tel Aviv University journalism faculty student, was announced.

Lurie's brother, Jesse Zel Lurie, announced a \$500 annual Ted Lurie Memorial Prize sponsored by the New Israel Fund for the best story on American Jewry in an Israeli publication.

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Details at all travel agencies

Offer of Sale of Property

Bids are invited for purchase of property (private ownership) located on 103 Dizengoff St. (corner Frischman), Tel Aviv, known as "Alchech Library" (plot 16/7, 16/81 block 7091).

Levels, each level 47 sq.m.

The premises may be seen during regular work hours. Bids should be submitted in writing to the above address.

Last date for submitting bids: July 13, 1984. The bid should include a price offer and conditions of payment.

No undertaking is given to accept the highest or any bid.

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AACI ELECTION FAIR

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Moadon Haoleh, 9 Alkalei Street, Jerusalem

English speaking representatives of over 20 political parties will be present to answer your questions.

Free admission. Don't miss this opportunity.

Exhibition

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9-13 July 84

Tel Aviv Exhibition Gardens

Meetings of experts and scientists, professional study days on subjects relevant to science based industries.

Study days arranged by the Israel Productivity Institute and the Automation and Industrial Technical Services Centre:
1. Tuesday, July 10, 9.30 a.m.: "Laser systems, and their use in industry"
2. Wednesday, July 11, 9.30 a.m.: "Structure of modular robot systems"

SHOPPIN' N' EATIN' IN JERUSALEM

KNOW THYSELF

Your innermost traits and characteristics are often hidden, preventing you from realizing your true potential. Through chiology — the science of handreading — you can learn more about yourself than you thought possible. Chiology will help guide you in business, family and social spheres, and reveals hidden talents that indicate precisely the right profession your career should follow. Based on the readings of your handprint, Calcutta-born chiologist Meir Shaul of Machon Migdal Or gives advice for the future, in every field of your life. For a one-hour consultation, contact Meir Shaul at 02-668841 from 8 a.m. to 4 p.m. or 4-7 p.m. Readings also in Tel Aviv.

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Her range is extraordinary, from artifacts thousands of years old — ancient jewelry from Nabuchadnezzar's time, Louisiana bronze bracelets, pottery 2000 years old — until creations of contemporary Israeli artists. Yeminite and ethnic, silver jewelry, glass, ceramics, Bedouin embroidery, ancient beads, copper and brass — every single item selected for you with taste, quality and originality in mind. Come and look around — you'll be astonished at the reasonable prices. Listed by the Israel Government — recommended by the Israeli for more than fifty years. CHARLOTTE, 4 KORESH ST. (behind the main post office) 9-1, 4-7, Friday 9-2.

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It's the meat that made BUNNY famous. A quarter pound of pure chopped meat, cooked as you request, with your favourite sauce. Kosher under Rabbinate supervision. Plus a mouth-watering serve yourself salad bar with great dressings and homemade soups, real American hot dogs, baked potatoes, prairie chips, and more. Half price menu for kids. BUNNY BURGER (they keep coming back for more), 1 AGRON, near Plaza and Kings Highway. NOTE NEW HOURS Sun.-Thurs.: noon til 9 p.m. Friday til 2 p.m. Takeaways at your service. See ya!

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THE PLATES THE THING

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WORLD NEWS

Iran says Iraqi dissidents killed dozens in Baghdad

MANAMA, Bahrain (AP). — Iran's official news agency said on Saturday that an Iranian-backed Iraqi dissident group blew up a truck crammed with dynamite at the headquarters of an Iraqi paramilitary force in Baghdad, "killing dozens of Iraqi agents."

The Iraqi news agency carried nothing on the purported suicide attack. Sources in Baghdad said they knew nothing of it.

Iran and Iraq have been at war since September 1980.

The Islamic Republic News Agency, quoting a communiqué issued in Tehran, said scores of Iraqis were wounded in what it said was a bombing attack at the Iraqi Popular Army headquarters. Several ammunition and weapons depots were set ablaze, said Irna, monitored in Nicosia, Cyprus.

Later, Irna quoted an unidentified spokesman of Iraqi dissidents as saying 10 commanders of the Iraqi Popular Army were among those killed.

The communiqué, issued by the supreme assembly of the Islamic Revolution of Iraq, claimed that the "martyr Fallahi" group drove a truck laden with 100 kilos of dynamite against the building in the Iraqi capital's Zafaraniyeh section early Friday morning.

It said the attackers belonged to the Islamic Amal organization of Iraq, one of the groups making up the Islamic Revolution of Iraq, also known as Sairi. Sairi was formed in Tehran last year to coordinate the actions of Iraqi factions opposed to the Socialist Ba'ath Party rule in Baghdad.

The statement carried by Irna warned "arrogant governments, especially France and its agents in the region," to stop financial and military aid to Iraq. "They must understand that (Iraqi president) Saddam Hussein is not going to stay," the statement said.

In the latest war front developments, Iraqi gunners and combat patrols attacked Iranian positions along the border and destroyed an infantry bunker and an ammunition dump, according to a war communiqué issued in Baghdad.

There was no immediate Iranian response to the report.

Vienna police seize arms, explosives

VIENNA (AP). — The police questioned nine foreigners this weekend after seizing caches of arms and explosives in three local hotels, according to Austrian press reports.

The Interior Ministry confirmed the arrests and seizures, which took place on Friday.

Interior Minister Karl Blecha yesterday announced that no further information would be released while the investigation was under way.

Hijack arms may have been in fruit box

NEW DELHI (AP). — Policemen investigating the hijacking of an Indian jetliner said yesterday the weapons used by Sikh hijackers could have been hidden in a wooden box that security agents thought held cherries.

Police sources said the box was brought on to the plane at Srinagar Airport without being checked by security personnel because a porter said it contained cherries for a member of the crew. At least 15 police officers at the airport have been suspended for the security lapse that preceded the hijacking of the Indian Airlines flight that took off for New Delhi.

The plane, with 264 people aboard, was ordered flown to Pakistan last Thursday by nine Sikh militants armed with knives, guns, axes and a fake bomb.

After holding the passengers and crew hostage for 20 hours the hijackers surrendered unconditionally at Lahore Airport last Friday. They are in Pakistan's custody.

Wife of missing tycoon charged in Athens

By LEE STOKES
Special to The Jerusalem Post

ATHENS. — A Levantine mystery took on new dimensions here this week as the wife of an Arab millionaire, whose jet plane disappeared over Egypt's pyramids in 1978 with his British secretary and \$7 million worth of diamonds, was released from jail on bail, after being charged with embezzlement and kidnapping.

Mayada Bahri, 40, the sister of a poor Syrian ballet dancer whose husband, Ala a-Din Bahri, 43, controlled an empire of 60 oil and shipping companies from Athens, denied the charges filed by the Athens public prosecutor. She alleges that the investigator of the suits against her brother-in-law Fawaz Bahri, 33, "is conducting this campaign of defamation against me so that he can control the companies alone."

But in a new twist to the thickening plot, Bahri's two sons, Hassan, 20, and Hussein, 19, have turned against their mother, filing suits in support of their uncle's claims. They are under close police guard in a remote villa outside Athens.

Bahri is accused of embezzling over \$800m. from her husband's companies over five years, and of holding her husband and Theresa Drake, 26, of Stapleton, Shrewsbury, prisoner in a secret place. This has increased hopes of finding the Arab and his British secretary alive.

Fawaz Bahri, in an interview, said his brother had been brought to Athens and apparently promised his freedom, provided that he authorized a large cash transfer.

Businessmen competing with the Bahri empire have not hidden their reserved satisfaction over the recent turn of events. "Yes, it is a tragic affair, but now that the Bahris are more interested in getting each other out of the way than promoting their business interests, that gives us an edge in this competitive market," said one Athens-based shipper, who asked that his name not be used.

"But if Fawaz gains control of the empire, that could create problems for us," he added.

Doctors treating Mayada Bahri, meanwhile, say she is suffering from stomach problems. After an appeal, she was released on bail pending trial.

Greek authorities, meanwhile, are taking no chances, and have ordered police protection for both sides in the dispute.

Peking reveals ministerial changes

PEKING (AP). — China's legislature announced three new ministerial appointments on Saturday without explanation, indicating a shakeup in the secretive Communist government.

As reported by the official news agency Xinhua, the National People's Congress standing committee approved Rui Xingwen as minister of urban and rural construction and environmental protection, formerly held by Li Ximing.

Qian Yongchang replaced Li Qing as communications minister, and Yang Taifang replaced Wen Minsheng as posts and telecommunications minister.

The agency did not mention the new positions of the outgoing ministers, indicating that they have been unceremoniously demoted.

Xinhua said all three new ministers were nominated by Premier Zhao Ziyang.

Kremlin acts against Western influence

MOSCOW (Reuters). — The Soviet leadership yesterday ordered the country's Communist youth organization, the Komsomol, to step up efforts to stamp out Western influence among young people and exert more control over their free time.

A ruling issued by the party central committee said Komsomol officials were not doing enough to eliminate "blind imitation of Western fashions," and should put more effort into ideological education.

It said it was time to "place a reliable barrier against the influence of bourgeois mass culture" and instead build up devotion to Communism and the Soviet state.

It also told Komsomol officials to control the way the young use their free time and to ensure they were involved in constructive activities that furthered their physical, aesthetic and political development.

11 die in boat mishap on Tennessee River

HUNTSVILLE, Alabama (AP). — A paddle boat on a recreational outing overturned in bad weather in the Tennessee River on Saturday, killing 11 persons and injuring others.

All 11 victims apparently drowned when they became trapped in the upside-down boat.

U.S. 'infuriated' by Greek anti-American behaviour

LONDON (AP). — The U.S. has frozen sales of second-hand military aircraft to Greece in retaliation for its perceived anti-Americanism and support of the Soviet Union's views on arms control, The Sunday Times reported.

The freeze has already prevented the delivery of 15 surplus F-14 jets and threatens the planned sale by Norway to Greece of a squadron of used F-5 warplanes, the newspaper said.

It said the administration of President Ronald Reagan had been infuriated by Greek Prime Minister Andreas Papandreu's portrayal of the U.S. as "the expansionist mecca of imperialism" at his party's first congress in May. It said Papandreu also suggested that the U.S. had forced the Soviet Union to emulate its hegemonism in self-defence.

In its report from Athens, the independent weekly said the freeze was prompted by Greece's refusal to turn over to U.S. and British secret services a suspected Arab terrorist believed to be involved in a plot to plant bombs in western airlines.

It said the suspect, Fuad Hussein Shara, was recently freed by Greece after being held for five weeks and was given safe passage to Algeria.

The paper said the hardened American attitude to its NATO ally was disclosed June 26 when Richard Burt, the U.S. assistant secretary of state, presented a list of Western grievances to Greek Ambassador in Washington George Papoulas.

The paper said Burt told the ambassador that the Reagan administration did not wish to maintain friendly relations with Greece.

Singapore women off limits to foreigners

SINGAPORE (AP). — In an attempt to avoid the problems European countries face with immigrant workers, Singapore has said it will cancel the work permits of foreign workers who marry Singapore citizens without official approval.

Despite an earlier government warning, 2,920 men married Singapore women in 1983, compared with 1,448 in 1980 and 318 in 1976, a labour ministry statement said.

Allowing foreign unskilled workers to sink roots without contributing to the long-term economic development of Singapore "would be to invite serious problems such as those faced by European countries," the statement said.

It said: "Approval will only be given to marriages between work permit holders and citizens where the work permit holder possesses skills and qualifications and whose absorption in the permanent work force would be of value to our nation."

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Italian women need not wear 'chador'

ROME (AP). — A labour judge has blocked Iran Air from requiring the seven Italian women working in the airline's Rome office to wear the traditional Islamic veil known as the chador.

In a decision made public Saturday, judge Ettore Foti suspended the order, issued last month by Iran Air officials in accordance with the wishes of Iranian leader Ayatollah Ruhollah Khomeini.

Italian women working in the airline's offices had been told they could face dismissal if they did not wear the chador, dark-coloured pants and a full-length tunic starting July 15.

The airline's two Iranian women already wear the chador and full-length attire.

It said: "Approval will only be given to marriages between work permit holders and citizens where the work permit holder possesses skills and qualifications and whose absorption in the permanent work force would be of value to our nation."

U.S. Navy refuses delivery of flawed missile

WASHINGTON (AP). — The U.S. Navy is refusing deliveries of an advanced Phoenix air combat missile because of flaws discovered in a technical inspection, a spokesman said at the weekend.

Lieutenant Commander Mark Neubart, the Navy spokesman, said there may be some delay in the combat readiness of the missile as a result of a review. The weapon is made by Hughes Aircraft.

"The review was initiated as a result of missile disassembly and inspection, which indicated marginal workmanship and possibly questionable quality-control procedures, which might need strengthening," he said.

It said: "Approval will only be given to marriages between work permit holders and citizens where the work permit holder possesses skills and qualifications and whose absorption in the permanent work force would be of value to our nation."

Sports

McEnroe—perfection itself

WIMBLEDON (AP). — John McEnroe neared perfection in both his deportment and his play as he displayed his awesome brand of tennis and annihilated Jimmy Connors 6-1, 6-1, 6-2 to capture the men's singles at the Wimbledon championships yesterday afternoon. The victory was McEnroe's third singles crown at the All-England Lawn Tennis and Croquet Club, his first coming in 1981. He has thus become the first American to win consecutive titles since Don Budge won in 1937 and 1938.

The world's tennis shrine saw one of the finest exhibitions of the sport ever. McEnroe was simply dazzling, losing only 11 points on his own serve in 11 service games.

Whatever Connors tried, McEnroe had not only the answer, but the winning answer. And after 80 minutes under a broiling sun and temperatures around 39° — the hottest day at Wimbledon in a decade — McEnroe had the most one-sided victory in the men's final since Budge crushed Elwood Cooke 6-1, 6-0, 6-3 in 1938.

"I just feel thankful I played one of the greatest matches I've ever played," McEnroe said. "I decided to let my tennis do my talking, and hopefully that's what people are talking about."

McEnroe, whose game is admittedly tied to his serving, hit 72% of his first serve, and that was pulled down drastically by the third set. He was over 80% in the first two sets.

Connors must have felt snakebitten. He stared disbelievingly at the final point of the first set as McEnroe's third ace — he served nine in all — skipped off the ground right at the "T." That was only one of several staggeringly brilliant moments by the 25-year-old New Yorker.

He had dominated Connors from the opening serve. When Connors won the coin toss and elected to receive — Connors being known as having one of the game's best returns

of service. But on this day, it didn't work. McEnroe's service, not the hardest in the game, had perfect placement and spins.

Going through the fortnight with his tempestuous temper under control and his mouth closed, McEnroe's on-court game spoke loudly and authoritatively. "I felt like I had a good grove on my serve and hitting the ball solid," he said. "And he (Connors) looked a little slow out there."

Connors, working extremely hard to win points, let alone games. But even when he produced an occasional touch of genius himself, the McEnroe express simply rolled on.

"I felt really calm the whole two weeks here," McEnroe said. "I felt really relaxed. I decided I was going to let my tennis do my talking, and it worked. In the long run, it's better for me and for everyone involved just to get on with the tennis. I certainly hope I can continue that."

McEnroe said he wanted this year's Wimbledon title for his mother, but he refused to say why. "I dedicated it to her — she knows why, was off he would say."

"All two weeks I've been seeing the ball like a basketball. Today I couldn't find it," said Connors. Beaten more heavily than any other finalist since 1938, he said he tried his best.

Connors attempted to make light of defeat. He was asked whether he realised how Australia's Ken Rosewall must have felt when he (Connors) had hammered him 6-1, 6-1, 6-4 in the 1974 final, the first of his two Wimbledon crowns. "I was out there today 19 minutes longer than Kenny was," Connors quipped in reply.

Asked whether he would at last admit McEnroe was a better player than him, "Will I admit it?" Connors replied with a grin. "I'll never admit it."

This was McEnroe's sixth consecutive victory. Connors had won his 15-12 overall head to head matches between them. The defeated McEnroe \$100,000 and brought in \$20,000 for Connors.

Britain's John Lloyd in partnership with Wendy Turnbull of Australia took the mixed doubles title when they defeated American Steve Denton and Kathy Jordan 6-3, 6-3.

National athletics records set up

By JACK LEON
Post Sports Reporter

An 18-year-old Jerusalem lass stole the show on the opening evening of the weekend's Israel Track and Field championships at Hadar Yosef stadium when national records were set in two events. Gabe Rosen leaped 1.79 metres in the women's high jump to better by 1cm a 10-year-old mark set by Orit Abromowitz at the Asian Games in Tehran.

Shmuel Ayis, a 21-year-old soldier from Rishon LeZion, established the other record when he completed the 400m hurdles in 51.97, clipping half a second off the previous best.

Neither performance was, however, sufficient to gain the competitors a place in Israel's Olympic squad.

On Kati, 22, won the 800m title for the fourth time in his career, finishing in 1:48.55.

but failing to break 1:47 and so join Mark Handelman in the line-up for Los Angeles.

Veteran sprinter Yoni Meisel, currently serving in the U.S. who flew back specially for the event, confirmed his reputation as Israel's fastest man runner when he retained his 100m title in 10.99.

A feature of the 5000m event was the return to the track and placing third of Yehzekiel Halifa after his recovery from injuries sustained in the Ashkelon bus hijack incident three months ago. He was bested by Arieh Gamliel and Yehuda Zadok, who will both compete in LA in other track events.

BASEBALL: Saturday's results — AMERICAN LEAGUE: Seattle 8 Toronto 4; California 4 Boston 1; Baltimore 6 Kansas City 2; Oakland 8 Milwaukee 2; Detroit 5 Texas 2; New York 11 Philadelphia 3; San Francisco 7 Chicago 2; Houston 4 Montreal 2; New York 14 Cleveland 1; Los Angeles 3 St. Louis 0; San Diego 1 Pittsburgh 0.

Israel Lands Administration
Jerusalem District

Offer for Lease of Plot for Commercial Centre at Har No' — Jerusalem
Tender No. JM/84/45

The Israel Lands Administration invites bids for lease of a plot for the construction of a commercial centre. Area details and construction potential at the time of publication of the tender, were as follows:

Municipal building plan	Plot	Approx. area (sq.m.)	Total built-up area	Development costs (IS)*	Minimum prices (IS)	Deposit (IS)
966 G	106	672	300	10,049,470	13,702,230	650,000

* Correct for building input index of May, 1984 (45,769.56 points), and to be paid separately to Yehuda Lands Administration. Additional details and tender forms available at our Jerusalem district office: 34 Reh. Ben-Yehuda, Tel. 224121 during regular working hours. Deadline for submitting tender bids is 12 noon on August 8, 1984. Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

Israel Lands Administration
Tel Aviv District

Offer for Lease of 2 Plots for Industrial Structure at Azor Industrial Zone
The Israel Lands Administration invites bids for a development contract for plots, details of which at time of publication of the tender, were as follows:

Tender	Block	Parcel	Plot	Approx. area (sq.m.)	Development cost estimates (IS)*	Minimum price (IS)	Deposit (IS)
TA 84/48	6010	87.88	49	1348	7,820,131	15,529,063	750,000
TA 84/47	6010	93.84	18	2178	12,642,350	23,431,320	1,170,000

* Linked to May 1984 building index (259.3 points), and to be paid separately to Arim in accordance with development contract to be concluded with the firm.

Only Ministry of Commerce and Industry eligibles may participate in the tenders. Details and sample contracts and bid forms available at our district office, 116 Derech Petah Tikva, Tel Aviv, during regular working hours. Deadline for submitting reference applications to the Ministry of Commerce and Industry is August 1, 1984, and the deadline for submitting tender bids is 12 noon on September 11, 1984. Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

Israel Lands Administration
Tel Aviv District

Offer for Lease of Plot for Commercial Construction at Azor Industrial Zone
Tender No. TA/84/48

The Israel Lands Administration invites bids for a lease contract for the area, details of which at the time of publication of the tender, were as follows:

Block	Parcel	Plot	Approx. area (sq.m.)	Total building % on one floor	Development costs (IS)*	Minimum prices (IS)	Deposit (IS)
6010	90.91	8	1361	25	7,924,710	17,795,773	1,000,000

* Linked to May 1984 building index (259.3 points), and to be paid separately to Arim, in accordance with development contract to be concluded with the firm.

Additional details and tender forms are available at our district office, 116 Derech Petah Tikva (Belt Kalka), Tel. 335211 during regular working hours. Deadline for submitting tender bids is 12 noon on August 8, 1984. Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

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Umaru Dikko

Financial Times

British Custom Officials Open a Pandora's Crate

By international convention and custom, the diplomatic pouch is inviolate. It takes many forms and may include many disparate items. In an airport outside London last week, the pouch was in fact two crates addressed to the Nigerian Foreign Ministry from its diplomatic mission in London. British customs found them suspicious because they did not have the necessary documents and diplomatic escort.

One crate, on board a Nigerian

Airways cargo plane, contained a Nigerian politician in exile, Umaru Dikko, wanted by the military Government on charges of amassing great wealth through theft and corruption. Mr. Dikko, found in a drugged stupor, was Minister of Transport in the Government of President Shehu Shagari, whom the military overthrew last New Year's Eve. Crated with Mr. Dikko and equipped with drugs and a syringe was a man identified as an Israeli. Denying any official Nigerian role in the kidnapping of Mr. Dikko, who has vowed to overthrow Nigeria's military rulers, the Nigerian High Commissioner, Maj. Gen. Halidu Hananiya, blamed "some patriotic friends of Nigeria."

The second crate contained two men whom officials described as of "Middle Eastern appearance" and who may have helped seize Mr. Dikko near his luxury home Thursday. Yesterday, four people of the 17 originally detained were being held for questioning, including the three men in the crates believed to be among the abductors. The police were trying to ascertain whether they were "international mercenaries." Mr. Dikko was treated in a hospital under heavy guard.

A day after the incident, the Nigerian Government appeared to retaliate. Forty-five minutes after a British airliner took off from Lagos, the Nigerian capital, it was ordered back "for security reasons." The plane's 222 passengers were allowed to leave the airport, but the plane was held. Yesterday, Britain released the Nigerian plane, and Nigeria was expected to do the same for the British airliner.

Prime Minister Margaret Thatcher's Government has been trying to organize a strong international stand against diplomatic terrorism. At the same time, it does not wish to strain ties with its former African colony, which is a big market for its exports and where 12,000 Britons reside.

Honduras Seeks A Better Deal

If the United States has been able to count on any country in Central America, it has been Honduras. Solidly wedded to the Reagan Administration's anti-Marxist cause, the little country has served as a training base for Salvadoran soldiers, as a refuge and launching area for anti-Sandinista Nicaraguan rebels and as a site for American-sponsored military airfields. Last week, Honduran officials indicated they wanted more of a say about the country's role in American policy and a better price for its services.

For the past three months there have been signs of growing dissatisfaction with Honduras's seeming docility, which led to jokes among

Latin Americans about the country being the latest addition to the American carrier fleet. Three months ago Gen. Gustavo Alvarez Martínez, the fervently anti-Communist military commander, who cooperated fully with Washington, was ousted by fellow officers and a more independent attitude toward the United States has been developing since.

Honduran military officials said they would seek revisions in a 1954 agreement that governs military relations. They said they wanted more control over American military personnel than the agreement called for, more economic aid and better terms of trade, and a scaling down of military exercises that have placed a heavy strain on Honduras's finances. The desire to revise the agreement was news to American Ambassador John D. Negroponte, who said that the United States would be willing to discuss changes. The Hondurans have also indicated that the Nicaraguan rebels may no longer be welcome, particularly after the shutdown of American financing for their operations.

Beirut Tries To Get Together

The guns fell silent in Beirut last week. Civilians cheered as the reconstituted Lebanese Army took control from warring militias across the city. But the Syrian-arranged ceasefire was shaky at first. The militias withdrew their big guns but they remained armed and close at hand. Resumption of operations at the seaport and the international airport, formerly guarded by American marines and closed since February, was delayed until tomorrow.

Militia men watched suspiciously from both sides while army units bulldozed barriers of sand, car wrecks and other debris on the Green Line separating the Muslim and Christian parts of the city. Free flow of traffic was delayed, ostensibly until sector crossings could be repaired. Three new crossings were due to open later today. Relatives de-

manding the release of hundreds of young hostages held by various militias temporarily blocked the only operative crossing. Cabinet members promised to help, but for many it was too late. Most of the hostages "no longer exist," said a Christian militia official.

In Tripoli, Lebanon's second city, 42 people were killed in fighting between Muslim fundamentalists of the Unification Movement and Syrian-backed Arabs before a cease-fire was arranged.

Subcontinental Ups and Downs

For India's many conspiracy theorists, Pakistan ranks alongside the C.I.A. as a suspected instigator of every kind of mischief. But last week, after Pakistani authorities in Lahore persuaded nine hijackers to surrender and freed 255 passengers and crew members from a commandeered Indian Airlines jet, officials in New Delhi said relations with their neighbor had reached a "high point of cooperation and good will."

The hijackers, who were identified as Sikhs, boarded the plane at Srinagar, Kashmir, and forced it to fly to Lahore. At first, they threatened to blow up the aircraft together with its passengers — unless the Indian Gov-

ernment freed Sikh prisoners arrested in last month's clashes in Punjab, evacuated remaining troops from the Golden Temple in Amritsar and paid \$25 million to repair damages the sanctuary suffered when Indian troops wrested the compound from Sikh terrorists. But after 17 hours of discussions with Pakistani officials, they surrendered without apparent recompense.

Back in Kashmir, Prime Minister Indira Gandhi's central Government ousted a critic of Mrs. Gandhi's policies. Chief Minister Farooq Abdullah, successor to Sheikh Mohammed Abdullah, the regional hero who died in 1982, was accused of abetting Sikh "nationalism." The Government gave his job to Ghulam Mohammad Shah, Dr. Farooq's brother-in-law. Thousands of Farooq supporters ignored a Government curfew to protest his ouster.

Mit Freudenheim and Henry Ginzler

A Correction

In The Week in Review last Sunday, a caption with a picture of the Rev. Jesse Jackson in Managua incorrectly identified the Nicaraguan official with him. He was Defense Minister Humberto Ortega Saavedra, brother of the junta coordinator, Daniel Ortega Saavedra.

Verbatim: A Warning Unheeded

"I told him it was not wise to ride two bancas (canoes). I said, 'It will be dangerous. If something happens to you, the Government will be at a disadvantage. There will be a stigma. We will be called a nation of barbarians.'"

Imelda R. Marcos, wife of Philippine President Ferdinand E. Marcos, testifying about her advice to Benigno S. Aquino Jr. in New York City three months before he was assassinated at Manila airport last August.

A Rare Flower in Latin America, Democracy Shows Delicate New Buds

For Military In Brazil, a Slipping Grip

By ALAN RIDING

BY repeatedly vetoing proposals for direct Presidential elections this year, Brazil's outgoing military Government has provoked such disarray among its followers that an opposition victory now seems possible, even under the military's own restricted succession rules.

Although a prolonged nationwide campaign for "direct elections now" failed in its immediate objective, the anger and frustration it aroused appears to have eroded official control over the 686-member electoral college, which will pick the next President on Jan. 15. Contributing to the mood of polarization is strong animosity stirred in the ruling Democratic Social Party by the possibility that the official candidate will be Paulo Salim Maluf, a wealthy conservative and former governor of São Paulo State, who has won over many party delegates with political and economic favors. Last week, clearly inspired by the swelling stop-Maluf movement, Vice President Aureliano Chaves abandoned his bid for the party's nomination and joined a dissident Liberal Front that is expected to support the opposition candidate.

The opposition, headed by the Brazilian Democratic Movement Party, is trying to close ranks behind Tancredo Neves, a respected 74-year-old moderate and governor of Minas Gerais State. Mr. Neves's candidacy could reassure sectors of the armed forces that fear that a return to democracy would bring a leftist radical to power. But in a country where political parties and labor organizations are weak and the tradition of elitist rule is strong, the military still holds cards, notably the option of sponsoring a noncontroversial army officer as an interim President to guide the country from dictatorship to democracy.

The greatest puzzle of the last six months, however, is how the Government of Gen. João Baptista Figueiredo has allowed the succession process to slip out of control amid bitter divisions in the military and its allies in the ruling party. In December, General Figueiredo renounced his prerogative of "coordinating" the presidential selection process, promising to support the civilian nominated at the party convention in September. The President was thought to favor the Interior Minister, Mario Andreazza, and to oppose Vice President Chaves, although Mr. Maluf was already the front-runner. By January, millions of Brazilians were demonstrating for a constitutional amendment to permit presidential elections this year, which the Government fears could bring a humiliating defeat at the polls. The amendment narrowly failed to win the required two-thirds majority in Congress on April 25.

Abrupt Withdrawal

Hoping to appease the public and supporters anxious to avoid the label of "enemies of democracy," the Government then sponsored an amendment setting direct elections for 1988. But when sub-amendments demanding immediate presidential elections seemed likely to be adopted on June 28, the Government abruptly withdrew its proposal and ended the debate.

Attention swung back to the electoral college and the party selection process. Last month, Mr. Maluf, apparently aware of his limited popularity outside the circle of party delegates he has courted, blocked a suggestion to let members of the ruling party around the country indicate their preference. The beneficiary would probably have been Vice President Chaves. His support for direct elections had won him the enmity of General Figueiredo, but polls showed him far ahead of Mr. Maluf. He was also backed by President Figueiredo's still-influential predecessor, Gen. Ernesto Geisel.



Lining up to vote in Guatemala last week.

Divisions in the ruling political apparatus have led the opposition to accelerate its plans. Governor Neves is widely recognized as the politician most likely to unite the four legal opposition parties and attract anti-Maluf voters in the official party. Because he would have to resign as governor of Minas Gerais by Aug. 15 — six months before the electoral college meets — the Democratic Movement Party is expected to hold its convention early next month. Opposition strategists are counting on an alliance between Mr. Neves and Mr. Chaves, a former governor of Minas Gerais, who last week called for the formation of a government of national conciliation. The governing party has had a 36-seat majority in the electoral college, but if only 19 delegates switched sides, the opposition would win. Considerably more than 19 are thought to be loyal to Mr. Chaves or determined to block Mr. Maluf, although intense horse-trading is expected.

Late last month, a deputy of the official party quoted General Figueiredo as predicting that Mr. Maluf would capture the nomination at the convention but would fail to win in the electoral college. The President's remark was not denied.

Subject to the vagaries of several more months of political maneuvering, it seems possible that the military will be forced to accept an opposition president as the price of preventing a return to full democracy. But many observers believe the principal Government objective is to prevent the accession of a radical populist who might investigate abuses committed during two decades of military rule. If so, the defeat could be more apparent than real.

Guatemala's Voters Take A Small Step

By STEPHEN KINZER

WORKMEN were busy last week polishing brass and dusting mahogany desks in the downtown building that housed the Guatemalan Congress until it was dissolved more than two years ago. In a few weeks, the desks will be occupied by the 88 deputies of the Constituent Assembly who were elected Sunday. They will work on a new constitution, Guatemala's fifth in 40 years, that is supposed to lead the country back to civilian rule.

Consolidating democracy will be no easy task. Since 1954, when a coup sponsored by the Central Intelligence Agency ended 10 years of civilian government, soldiers have dominated the country. Some of the mili-

tary regimes, including that of Gen. Fernando Romeo Lucas García, who ruled from 1978 to 1982, were among the most repressive in recent Latin American history. With Guatemala sharply criticized abroad because of the severity of its antiguerrilla campaign and with its economy in trouble, the army says it is prepared to return to the barracks and let politicians try to set things right.

"The military model is archaic, it can no longer function," said Jorge Carpio Nicolle, an ambitious newspaper-publisher whose newly formed National Union of the Center finished strongly in the voting. "The country is destroyed economically, socially and morally. The tide of events in Central America and the need to get American aid flowing again have forced the military to recognize that things cannot continue as they have been."

Panama and El Salvador are also in the midst of transitions to democracy. Honduras is under civilian rule after a succession of military strongmen, and Nicaragua has promised some form of election in November. President Reagan and Secretary of State George F. Shultz have praised the trend toward democracy. Further south, Argentine President Raúl Alfonsín last week ousted four generals and his vigorous advocacy of constitutional government has strengthened growing antimilitary movements in Chile, Brazil and Uruguay.

In Guatemala, however, the process faces formidable obstacles. The army is accustomed to imposing its will, by whatever means. And it has accumulated considerable economic power. It owns a bank, an insurance company and other lucrative businesses. Also, some officers worry that a civilian Government may launch investigations into the political assassinations and rural massacres that have become a deadening reality in this spectacularly beautiful country.

Proponents of democracy could take heart from Sunday's results. The centrist Christian Democratic Party, despite losing 322 organizers to death squads in five years, finished first, surprising even its own leaders. If they stay together, moderate parties, headed by the Christian Democrats, will have a strong majority. The ultraright National Liberation Movement, which has been described as "the party of organized violence" by its siling leader, Mario Sandoval Alarcón, will be unable to prevent the adoption of a constitution providing for division of power and political freedom.

45,000 Refugees in Mexico

Whether military officers will respect the new constitution, expected to be completed early next year, is another matter. The presidential election slated for mid-1985 will present them with a serious challenge, and no one is ready to predict that they will allow the process to proceed freely. Gen. Oscar Mejía Víctores, who seized power in a palace coup in August, assured his countrymen that democracy was indeed coming. He told reporters last week that civilian rule was now possible because the leftist guerrilla movement had been wiped out after a two-year offensive in which, he conceded, "many innocent people who had nothing to do with it" were killed. "There is no threat remaining," the general asserted. "Subversion has ended. Without any help from anyone, we have gotten rid of the guerrillas."

Others were not so sure. Several new deputies said privately that thousands of people still actively support rebel groups. More than 45,000 Guatemalans are living in refugee camps in southern Mexico. Leaders of the centrist parties said they would press for provisions in the constitution to legalize Marxist groups, which are anathema to the military.

They would also offer amnesty to rebel guerrillas. "We are talking about a genuine amnesty," Mr. Carpio Nicolle said, "not the kind we have had in the past, where you surrender and then you are killed."

Guatemala's leaders are anxious to show the United States Congress that they desire economic aid, although they have spurned military aid since 1977. Allowing civilians to take power, they reason, will go a long way toward accomplishing that end. The officer corps is believed to be quietly searching for a presidential candidate who will be palatable to Washington without threatening the army's power.

"The elections this week were a triumph for the democratic center and the democratic left," said Marco Vinicio Cerezo Arévalo, the 41-year-old Christian Democratic leader who, like Mr. Carpio Nicolle, is already running for president. "But we still have a long way to go."

Whaling Restrictions and a Dispute With the Russians Add to the Woes

An Ebb Tide for Japan's Fishing Industry

By CLYDE HABERMAN

TOKYO — The Soviet Union started Japan last month by announcing that by year's end it would terminate a broad agreement governing fishing rights between the two countries. Officials in Tokyo said last week that they did not fully understand the Soviet action, but they needed no one to explain its impact. Unless a new accord is reached, it will be almost impossible for Japanese fishermen to catch salmon and sea trout in Soviet waters of the northern Pacific.

At about the same time, environmentalists prevailed at a meeting in Buenos Aires of the International Whaling Commission, which ordered a 36 percent reduction in the number of minke whales that Japan may hunt next year in the Antarctic. To say that the Japanese were stunned would be a grave understatement. With a five-year worldwide moratorium on whaling scheduled to go into effect in 1986, they had hoped to enjoy one more year of relatively normal whaling. Instead, talk has grown more insistent here about dropping out of the whaling commission and standing alone on a practice abhorred in some corners of the world but defended by many Japanese as a cultural imperative.

While unrelated, the two incidents demonstrated how Japanese fishermen depend on the skill of their international negotiators as much as on their own talents. They are more than willing to pay large fees for the right to fish in other countries' waters, but often find themselves treated as interlopers. This year, Indonesia and Mauritania raised their fees so high that Japanese boats had to withdraw from those waters.

Fishermen from Japan are also criticized periodically for resorting to questionable — even shocking — methods, such as killing dolphins en masse because they poached on fishing grounds. Japanese boats are often seized for straying into prohibited territory.

The Japanese Government sees fishing as a beleaguered industry with deep historical roots, an industry that needs all the help it can get. The 200-mile fishing zones established by some 90 countries, rising fuel costs and changes in Japanese dietary habits have all contributed to what a Government report last year called, "with

bureaucratic reserve, "a difficult situation." Other fishing nations have been adversely affected by the same conditions. But this resource-poor country feels the effects more keenly than most.

Japan's annual fish harvest of 11.3 million tons represents 15 percent of the worldwide catch. That is an average of 200 pounds of fish a year for every Japanese, although only a part is consumed by humans; much of it goes for fodder and fertilizer. In terms of dollar value, the Japanese share of fish offered on the world market comes to 20 percent.

Although a \$12-billion-a-year industry, fishing in Japan approaches a mom-and-pop operation in daily practice. Last year, according to Government figures, there were 212,000 fishing companies employing fewer than 450,000 people. Most were one-man outfits, plying

small motorized boats in coastal waters where fish "farms" are stocked with oysters, yellowtail, prawn and nori, a long-popular seaweed leaf.

Nearly half the fisheries failed to make a profit in 1983, reflecting difficulties that did not seem likely to go away even if the Government said they had eased slightly. Some were familiar to many industries, especially overborrowing and inefficiency. Other problems, however, seemed peculiar to this industry, notably the fact that fish is less important than it once was to the Japanese. Although a more affluent society is indulging its taste for shrimp and the more expensive cuts of tuna, in most homes beef has supplanted fish just as bread has cut into rice consumption. Thirty years ago, products from the sea accounted for 75 percent of animal-protein intake in the Japanese diet; the figure now is 45 percent.

Deep-sea fishing has been especially hard-hit, resulting from the advent of 200-mile exclusive fishing zones.

The annual haul from operations on the high seas has declined from 3.2 million tons a decade ago to less than 2.2 million tons. As much as possible, Japan has tried to buy its way into foreign waters. But success has been spotty, not only because of high fees demanded by other countries but also because of diplomatic and environmental considerations that sometimes have little, if anything, to do with fishing.

The Soviet cancellation of its fishing agreement with Japan may be an example. It is possible, some officials say, that the Russians are genuinely concerned about salmon depletion in the North Pacific and want to protect their interests by negotiating a better deal. But others suspect that the cancellation reflects strained Japanese-Soviet relations on broader issues. This is a recurring phenomenon. After the Soviet downing of a Korean airliner not far from the Japanese coast last September, fishermen on the northern Japanese island of Hokkaido reported that Soviet patrols were stopping them more frequently for minor treaty violations.

Japan's insistence on whale hunting threatens to create further problems. Technically, there is no relation between fishing and whaling. But if Japan defies the moratorium that is to go into effect in 1986, the catch its fishermen are allowed to take in United States waters will be sliced automatically by 50 percent. Washington has also indicated that it will stop importing frozen fish from Japanese processors.

This country's whaling industry is valued at about \$40 million a year. Its American fishing stake is about \$750 million, a significant portion of that industry's total. Environmentalists are betting that, in the end, Japan will put aside its emotional reactions to the whaling ban and decide to go with the money.



Japanese fishermen launching a new boat.



Reserves Remain, but They Are Harder to Get At

Will Britain's Economy Stall As North Sea Oil Runs Out?

By KARNABY FEDER

LONDON — Oil companies and the large corporate investors that finance offshore exploration are preparing for another round of the British version of petroleum poker, sifting through geological data and sounding out prospective partners for the ninth round of exploration since the North Sea adventure began in 1964. Bids are not due until Dec. 17, but the process is as complicated and risky that participants have little time left to plan their strategy.

The Government is offering preferential treatment for bidders willing to explore the deep frontier waters west of the Shetland Islands and around the uninhabited islet of Rockall in the North Atlantic. Whitehall is also encouraging bids in the Celtic Sea off Cornwall near Irish waters where Gulf Oil had a small strike last summer.

The incentives reflect Government concern as North Sea oil production peaks — this year or next according to most estimates. The party is far from over, however. The Edinburgh broker, Wood MacKenzie & Company, recently estimated that more than 8.35 billion barrels of proven recoverable reserves remain from the original North Sea reserves of 11.65 billion. It adds an estimate of nearly one billion barrels of oil-related liquids, 70 percent in fields that are probably recoverable in current economic conditions. Exploration and appraisal drilling in

the North Sea reached record levels last year, and in May the Government doubled its estimates of undiscovered reserves in the central and northern area. In the first quarter of this year, production was 13 percent higher than 1983, making Britain the fifth largest producer, following Saudi Arabia, the Soviet Union, the United States and Mexico.

The Clouded Crystal Ball

Nevertheless, Britain's best oil-producing days are fast drawing to a close, Government and industry experts agree. The largest, most easily exploited North Sea fields have almost certainly all been developed.

Politicians and economists disagree sharply as to whether Britain will have a soft landing on re-entry. "I see a growing sense of optimism in the oil industry about the future," Nigel Lawson, Chancellor of the Exchequer, said last month. But Labor Party leaders predict economic disaster as the oil flow slackens. Neil Kinnock, the Labor leader, says Prime Minister Margaret Thatcher "has squandered our fortune of oil resources." He said the Conservative Government "wasted" oil income by using it for unemployment benefits instead of industrial subsidies and by allowing oil profits to be invested overseas "financing the technological development of our competitors."

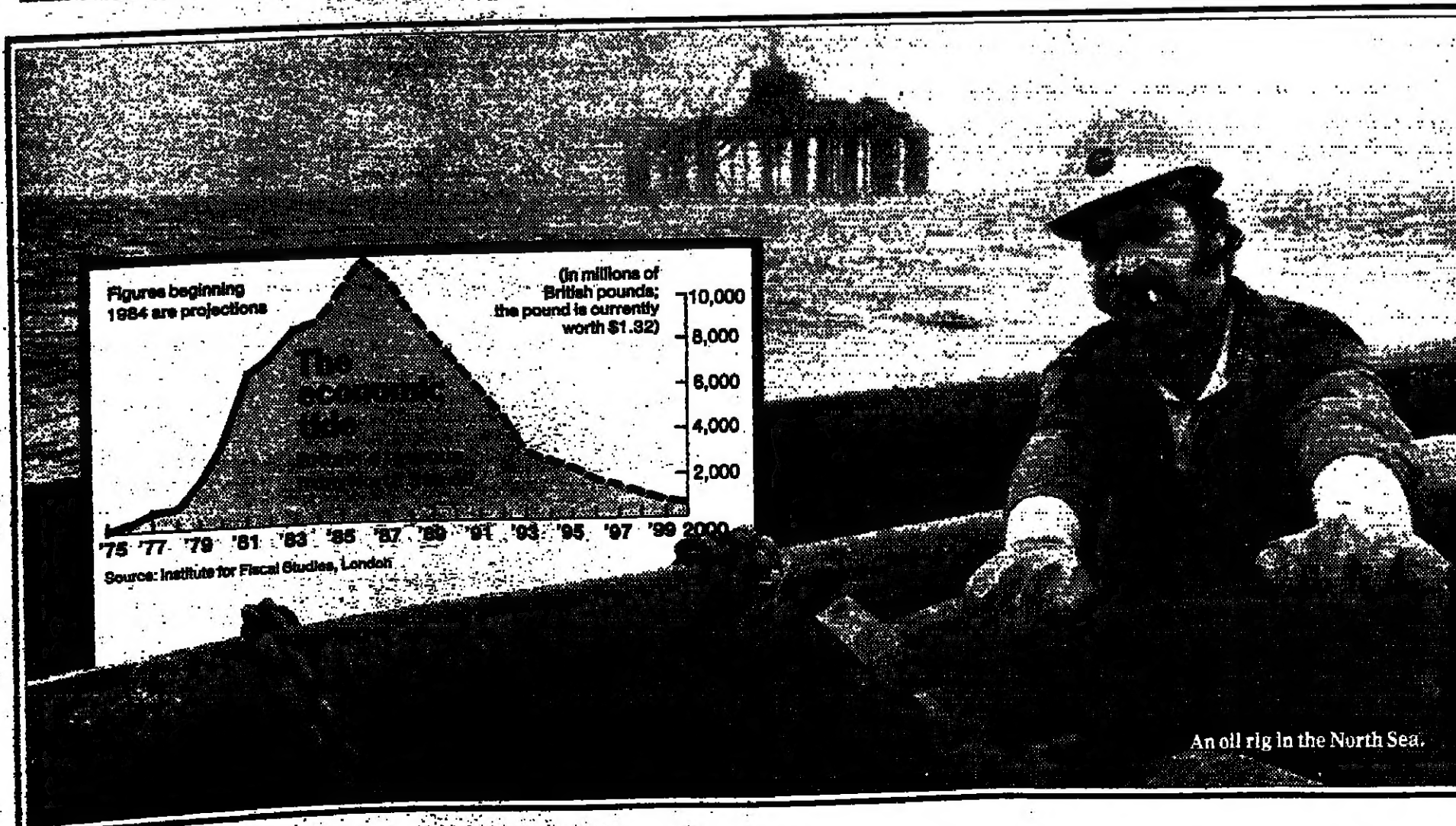
Most experts predict that annual tax revenue from oil will pass \$15 billion this year or next, about 8 percent

of all Government revenues. Then they expect the favorable impact of oil exports on Britain's trade balance to decline. London became self-sufficient in oil in late 1980, five years after the first North Sea oil came ashore. Last year, it produced 60 percent more oil and related petroleum liquids than it needed. By the mid-1990's, however, production may decline 50 percent forcing Britain to import more oil than it exports. Tax revenues are expected to drop even more sharply, largely because the most profitable fields have been developed first and tax concessions were granted to encourage newer ones.

"At 1984 prices, there will be a fall in oil export revenues of over one billion pounds (\$1.4 billion) per year between 1988-89 and 1993-94," said David Owen, leader of the Social Democratic Party. The result, he said, will be balance of payments problems that will depress the value of the pound, undermine growth and boost inflation. To fill the hole in the balance of payments, he said, industry will have to increase exports by 25 percent.

The Government replies that it has placed the country in a relatively strong position to make a gradual adjustment to declining oil output. "We have put the brief but important era of North Sea growth to good use," Chancellor Lawson insists. Oil has helped lower inflation, pay off overseas debts, reduce Government borrowing (which helped reduce interest rates), and financed a nest egg of income-producing overseas investments.

Conservatives contend that their opponents want to sink oil revenues into propping up doomed enterprises instead of encouraging businessmen to seek out industries that can prosper. But Mrs. Thatcher is not totally opposed to Government intervention to ease the impact of the oil decline. To encourage production, the Government is pushing for exploration in frontier areas offshore and for relaxing the tax burden on marginal oil fields. It is also offering subsidies to promote the creation of offshore supply and equipment companies that could compete in overseas markets.



Secret Printing Thrives



Adam Mickiewicz, one of Poland's greatest heroes.

To the Poles, Conspiracy Is No Theory

By MICHAEL T. KAUFMAN

WARSAW — Just as a Frenchman might say with pride that he was in the resistance in World War II or a Norwegian might recall his days in the underground, a Pole will simply say, "I was in the conspiracy." In few nations is there such a deep-rooted respect for clandestine political activity and few governments are as troubled by it as that of General Wojciech Jaruzelski.

Last week, a review of a history book in *Polityka*, the influential weekly with close links to the Government, began with these words: "The history of modern Poland is one of plots, secret organizations and conspiracies."

This tradition of collusion and intrigue, so ingrained in the national psyche, has at one time or another plagued almost all those who have sought to rule this land, whether foreigners or Poles. Currently, particularly since the imposition of martial law two and a half years ago, the Government has to deal with masses of secretly printed magazines, tape recordings, posters and leaflets that are being distributed throughout the country. The materials either directly challenge the Government or simply ignore it, appearing as artifacts not so much of an underground state but of an underground society. Young people go out at night and chalk forbidden symbols on building walls. For them this is something like a rite of passage into Polish adulthood.

While there are relatively few full-time underground operatives directing these activities, there are perhaps tens of thousands of men and women who work at regular jobs but devote a few hours a week to writing, typing, mimeographing, taping or distributing materials. These range from translations of forbidden books, to factory newsletters, weekly newspapers, facsimile postage stamps bearing the Solidarity logo and metal lapel pins saying "Solidarity" or simply "No."

In a country where conspirators of the past are memorialized and cherished with thousands of monuments and plaques, acts like distributing forbidden leaflets are often perceived as patriotic duties establishing a nationalistic link to Polish history. Every high school student knows that throughout the 18th century when Poland disappeared, partitioned by its neighbors, the idea of the nation was sustained and preserved through secret meetings and illicit writings and clandestine groups.

A History of Undergrounds

One of Poland's greatest heroes, the Byronic poet Adam Mickiewicz, is admired not only for his nationalistic epics but for having organized student underground organizations to agitate for freedom from czarist rule. Similarly, school children are aware that Marie Curie, who discovered radium, learned chemistry in the late 1800's at a flying university, a clandestine academy that was the precursor of the contemporary flying universities at which Solidarity activists lecture workers about their nation's unauthorized history, discussing such events as the Polish victory over Bolshevik armies in 1921 and the consequences of the Molotov-Ribbentrop pact in 1939 when a defeated Poland was again partitioned.

The memory of Polish conspiratorial resistance to the Germans in World War II is kept alive by official efforts and family accounts. In addition to the preserved Nazi death camps and major memorials, there are hundreds of smaller plaques and inscriptions to show where three, or four, or dozens of Poles fell in the defense of the fatherland. Almost all of these are adorned with fresh flowers left daily by ordinary people for whom the idea of clandestine resistance has become linked to patriotism.

Often, the conspiratorial tradition is a family legacy. For example, Adam Michnik, one of the four key Solidarity advisers awaiting trial this week on charges of preparing to overthrow the system, is the son of Oslas Szechter, who as a member of the illegal prewar Communist Party was imprisoned by the Polish security police in the 1920's and 1930's on similar charges. The same conspiratorial culture of police informers, interrogations, detentions and searches that confronted the antiestablishment Communist father now confronts the antiestablishment but anti-Communist son.

Also involved with Solidarity are a number of men, now in their 60's, whose youth was spent with partisan clandestine units fighting Germans. Further complicating the situation is the fact that Poland's leaders have also included people who were active in conspiracies, from Joseph Pilsudski, who organized Polish legions in the last years of partition, to Wladyslaw Gomułka, the postwar Communist leader, who conspired against both the Pilsudski Government and the Nazi occupiers. Joseph Cyrankiewicz, a former Prime Minister, not only organized peasant strikes before the war but formed a resistance cell while a prisoner in Auschwitz during the war.

Among the younger Solidarity activists and supporters there are men like Miroslaw Chojacki, whose mother took part in a plot to assassinate a hated Nazi administrator. There is Jan Lysiński, a close relative of Feliks Perl, one of the founders of the old Polish Socialist Party, and Karol Modzelewski, one of Mr. Michnik's mentors. Mr. Modzelewski's father, also a prewar clandestine Communist, was summoned to Moscow in the late 1940's and killed in one of Stalin's last purges of the Polish party.

The Nation

A Presidential Swing Tests Campaign Notes

President Reagan took to the road last week in his first extended political trip of the summer, testing the bedrock of his constituency with the standard incumbent's message — an attack on Congress — and his own special theme: optimism and confidence in the future.

To the Texas Bar Association meeting in San Antonio, Mr. Reagan denounced "liberal leadership" on Capitol Hill, which he said has hindered him in bringing peace to Central America and from bringing down the Federal deficit. But as he had done in addressing a group of automobile workers at the dedication of a new General Motors plant in Lake Orion, Mich., the President also claimed credit for economic success, proudly saying his was the first Administration in 20 years to lower inflation and unemployment at the same time. And as he did before picnickers at the Spirit of America festival in Decatur, Ala., on July 4th and spectators at the Pepsi Firecracker 400 stock car race in Daytona Beach, Fla., he invoked the auto workers flag, the family and the restoration of respect for them during his Presidency. "Our country," Mr. Reagan said, "has recaptured the pride and community spirit that was for so long an essential part of our national character."

Aides traveling with the President said that their goal — reemerging the coalition of Northern blue-collar workers and Southern whites that was crucial to victory over Jimmy Carter in 1980 — is being helped by Mr. Reagan's criticism of the Rev. Jesse Jackson, who has made per-



Former sportscaster back at the mike at a stock car race last week in Daytona Beach, Fla.

sonal diplomacy and overseas travel an important part of his campaign. "We're getting much more interest from our workers," one aide said.

Mr. Reagan last week questioned whether Mr. Jackson's recent trip to Cuba violated the Logan Act, a broadly worded 185-year-old statute that forbids unauthorized negotiations by private citizens with foreign governments. And in contrast to his praise of Mr. Jackson's trip to Syria in January, Mr. Reagan also cautioned against any Jackson trip to Moscow, lest he interfere with "things that might be going on in the quiet diplomatic channels." Mr. Jackson called the criticism a "political play" designed to disguise what he called Mr. Reagan's foreign policy failures. Privately, a senior Administration official acknowledged that Mr. Reagan "was taking a political whack" at the Democrats by trying to force Walter F. Mondale to take a stand on Mr. Jackson's personal diplomacy.

Democrats were looking forward to taking a whack at Mr. Reagan after he said the Social Security might need "revamping." The subject has been politically touchy for Mr. Reagan since he unsuccessfully proposed cuts in the program in 1981.

Air Florida Hits Bottom

Carrying too much debt and too few passengers, Air Florida came in for a financial crash landing last week. The Miami-based carrier, which has lost nearly \$135 million in the last three years, filed a bankruptcy petition seeking protection from creditors.

It was the third airline bankruptcy since the industry was deregulated in 1978, but Air Florida may be the first whose financial ailments prove terminal. Its predecessors in bankruptcy court, Braniff International and Continental Air Lines, managed to preserve enough assets and cut enough costs to resume operations. There was some doubt in the industry that Air Florida would be able to follow suit. Once viewed as a deregulation success story, the airline had been hurt more and more by increased competition for popular Florida-based routes.

"Unlike Continental, which reorganized in a few days, Air Florida doesn't have any assets except for some airport gates and slots," said Jack Green, an industry analyst in Miami. Air Florida said it had assets of \$145.2 million and liabilities of \$221.4 million, and grounded all its aircraft and laid off all employees, leaving hundreds of bewildered passengers stranded with few other carriers offering to honor their tickets.

In a statement, the company said it expected to "promptly resume service on its Miami-London route as well as service on selected domestic and Caribbean routes." Court hearings begin this week, but Air Florida's competitors wasted no time in making plans to pick up the pieces. Eastern Airlines said it had already asked the Civil Aeronautics Board for the Miami-London route.

Appointments In the Recess

The Constitution gives the President the power, when Congress is away, to fill vacancies for public office on which the Senate would otherwise have a say. The so-called recess appointment process — customarily exercised between sessions of Congress rather than when the legislators are in recess — is not thought to be intended to short-circuit the process of advice and consent. But that, critics of the Administration charged, is exactly how President Reagan was using it last week.

• The Federal Reserve Board. Martha R. Seger, a conservative economist who is a professor of finance at Central Michigan University in Detroit, was nominated as a member of the Fed's board of governors in May, to succeed Nancy Teeters, a liberal Democrat, whose term had expired. Though the Senate Banking Committee narrowly approved the nomination before Congress's three-week recess, a number of Democrats said they would oppose it on the floor. Evidently eager to have Miss Seger, a strong supporter of Mr. Reagan's economic policies, participate in an important July meeting of the Fed's senior policy body, the recess appointment was made Monday. Under the appointment, she can serve until the end of the 1985 Congressional session without confirmation. "There is no evidence of any emergency," said Senator William Proxmire, Democrat of Wisconsin. "There are six other members of the board who are perfectly capable of monetary policy in the weeks ahead."

• The Nuclear Regulatory Commission. Lando W. Zech Jr., a retired vice admiral who commanded the Navy's first nuclear submarine, was nominated for a seat on the panel two weeks ago and appointed and sworn in last week. Donald P. Rodel, the Secretary of Energy, said the Administration did not want to go through "the lengthy confirmation process" particularly in an election year. "We felt that it just wasn't appropriate for the N.R.C. to operate without a full complement." Both officials and critics of the troubled nuclear industry questioned the point, saying the commission's rulings would be more credible if its members were confirmed normally.

• The National Council on the Humanities. Seven new members of the 26-member body, which advises the chairman of the National Endowment on the Humanities were appointed by the President. The announcement of their nominations earlier in the year had prompted a strong reaction in the foundation and academic community, on the ground that while many of them have some credentials in the arts they lack background in the humanities. Reservations about their political views, which are close to Mr. Reagan's, had been expected from the Senate Labor and Human Resources Committee.

Minneapolis Nurses to Vote

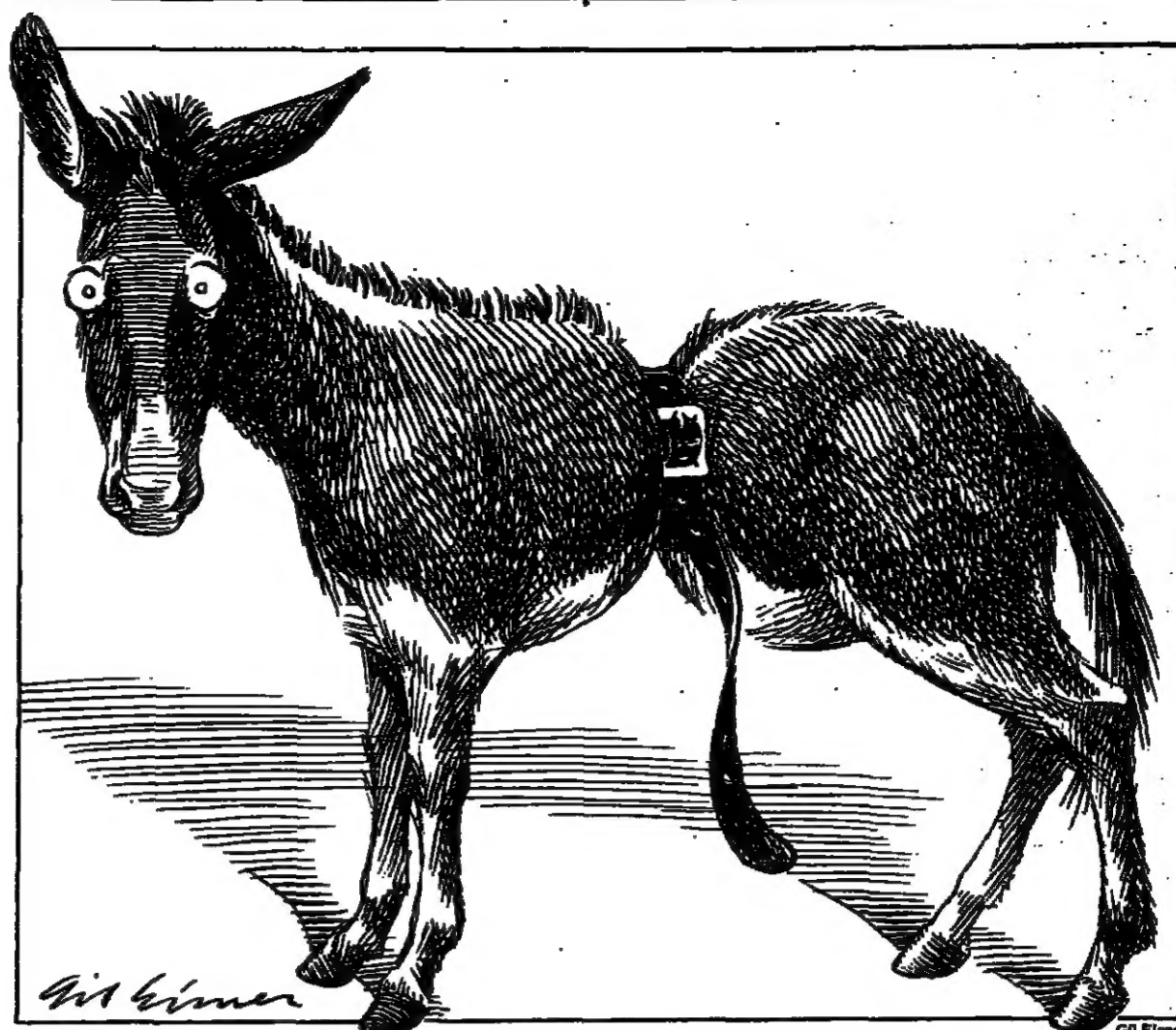
The strike by more than 6,000 registered nurses in Minneapolis and St. Paul, the largest such walkout in American history, may at last be winding down. The nurses, who have been picketing 16 area hospitals since June 1, are scheduled to vote on a new contract tomorrow.

"Our committee's going to be able to unanimously recommend the contract settlement," said Bob Wiesner, labor relations representative for the Minnesota Nurses Association. If the agreement is approved, nurses would probably begin returning to work as early as tomorrow night or Tuesday, he said.

As has been the case in many other industries, a disagreement over job security led to the strike, which has affected nearly half the hospitals in the Minneapolis-St. Paul area. The struck hospitals have attempted to make do by assigning supervisors to ward duties, postponed elective surgery and otherwise cut back nonessential services.

Caroline Rand Herron and Michael Wright

Platform Committee Makes Modest Economic Proposals



both parties consider the best achievable. And the long-intractable joblessness among black teenagers plunged nearly 10 percentage points to 34 percent. "We must reduce these dangerously high levels of unemployment," the platform authors wrote, just as economic growth seemed to be beginning to do the job.

The Democrats find little to praise in the economy's performance. They attribute the recovery to spending in the form of Reagan Administration budget deficits. The platform assails them in the same terms many economists do, but with a strain of resentment. "Since 1981," the platform says, "more money has been squandered on interest payments alone than has been saved by all Reagan's cuts in domestic spending."

Qualified Protectionism

A theme that permeated the primary campaign — industrial policy — survived in the platform though with much less bite than its strongest partisans, particularly in the A.F.L.-C.I.O., desired. Proposals to create a national development bank to aid ailing industries and provide growth funds for new ones were rejected. Also rejected was overt commitment to legislation requiring that most automobiles sold in the United States be manufactured here, the "domestic content" bill dear to the United Automobile Workers. The platform does endorse protectionism for industries afflicted by "unfair" foreign competition. But in return for Government support, the Democrats would require industry to use the umbrella of protection to modernize factories.

Instead of big-money commitments to an industrial policy, the creation of a largely toothless Economic Cooperation Council, is proposed. Though the commission would be powerless to order changes in the economy, for the first time it would join labor, business and government in a national industrial planning process similar to what the Japanese, in particular, have developed to their considerable advantage in world trade.

In some important respects, the Democrats appear ambivalent in some cases and even supportive in others of positions the Reagan Administration also holds. The Democrats raise ominous questions about deregulation of the nation's banking system. But the system now allows consumers to receive nearly as high interest on their deposits as corporations. With that in mind, perhaps, the party recommends only that bank deregulation be given "a careful look."

And just as the White House does, the Democrats call for a simplification of the tax system. The distinction the Democrats make is that it be "more equitable and more progressive." They would require that taxpayers with incomes over \$60,000 relinquish the last of the Administration's three tax cuts. But like the supply-side economists who advise the White House, they would facilitate saving for private investment.

In San Francisco, the Democrats might have liked to offer more, said Arthur Cantor, an A.F.L.-C.I.O. economist who participated in the platform discussions. "But we're being pretty careful about programs where we're asking for money," he said. "Anyone would be a jackass not to worry about deficits."

forces of Walter F. Mondale. But it was laced with concessions to Gary Hart, and occasional bows to the Rev. Jesse Jackson. It reads like the plan of an enlightened enterprise seeking a better lot for its employees to guarantee growth and prosperity for all. It says its programs ought to be "affordable," and it calls most of them "investments," relatively small commitments now to assure high returns and lower spending later.

"It is a common sense, realistic platform which is tempered to the times," said Stuart E. Eizenstat, President Carter's chief domestic policy adviser and a participant in some of the platform negotiations. "It just proves that Mondale is moderate, cautious — I'm not going to say conservative — and fiscally prudent," said Walter W. Heller, an adviser to Mr. Mondale's campaign and chief economist to President Kennedy and President Johnson.

The Democrats will attempt to sell the electorate on fear of the future because they have been cursed by the present, President Reagan sits astride the healthiest-looking, fastest-growing economy in at least 20 years. Last week came the latest of an 18-month barrage of cheery economic reports. The overall unemployment rate in June fell to 7 percent from 7.4 in May. That puts the rate a mere percentage point above the level that

By PETER T. KILBORN

WASHINGTON — They won't propose billion-dollar programs to create jobs, although there will be assurances of help for workers in fading industries. They will endorse child-care programs for working mothers, but in collaboration with churches, employers and other private groups. They would expand the nation's pool of housing for the poor, but first they would rehabilitate the housing they have already built. Support of a national health care system used to be the acid test of a true Democrat, but not in 1984. They would leave the benefits alone and curb the inflation in doctors' and hospital fees.

These are not the same old Democrats. On the economic issues that have dominated most previous Presidential campaigns, the platform the Democratic leadership approved last week is constructed on limits. The party of big and bountiful government of Roosevelt and Johnson has drawn a plan for penny-wise, efficient government. The party retains its historical commitment to the poor and neglected, but rather than spend new money to help them, they would find it by shaving the growth in defense spending.

The platform was controlled largely by the

New Burford Appointment Irritates Old Wounds

Environment Shrinks as Political Issue

By PHILIP SHABECOFF

WASHINGTON — It was classic political gaffe, constructed of careless staff work and atrocious timing. Last week, on the eve of a luncheon called by President Reagan to make peace with moderate environmental groups, the White House released the news that Anne M. Burford, who was forced last year to resign as head of the Environmental Protection Agency, had been selected to head an Administration advisory group that deals with oceans and atmosphere.

White House officials said no provocation was intended. But the environmental groups' leaders reacted with predictable outrage, calling Mrs. Burford a symbol of all that was wrong with White House environmental policies. Instead of opening a dialogue with a constituency outspokenly critical of the Reagan Administration, the luncheon served largely to reopen old wounds.

It also seemed to rekindle, however briefly, what had become a flickering partisan political debate that once looked to be a fruitful, even juicy issue for the 1984 Presidential campaign. When Mrs. Burford was running the environmental agency and James G. Watt was Secretary of the Interior, their policies and actions were subject to minute scrutiny and endless attack. National environmental groups charged that the Administration was seeking to undermine hard-won gains in reducing pollution and protecting public lands and resources. With an unflattering spotlight on Mr. Reagan's two chief environmental officers, the Republicans appeared vulnerable.

But in politics, as in love and juggling, timing is everything — and the optimal timing for partisan exploitation of the issue may have passed.

That is in part because of skillful damage control. Both William D. Ruckelshaus, appointed to succeed Mrs. Burford, and William P. Clark, who took over Interior, have been adroitly defusing what many Democrats hoped would be a political time bomb. Even his critics give Mr. Ruckelshaus credit for rescuing a demoralized agency and for resuming enforcement of the antipollution laws. Mr. Clark has slowed the process of turning over public resources to private interests and has reopened communications with Congress, environmentalists and the press.

Legislative Fallout

To a large degree, however, the dwindling political prominence of environmental issues reflects those issues' complexity as much as the inability of the Democrats to seize on them, a fact of life that was demonstrated by several recent Congressional actions and nonactions.

• Because of scientific disputes and regional differences over acid rain, for example, the



Anne M. Burford

Democrats have not been able to make themselves champions of an effort to force an acid-rain control program on an unwilling Administration, whose approach has been to call for more research. Indeed, it was a liberal Democrat, Representative Dennis Eckart of Ohio, who, according to his fellow Democrat and subcommittee chairman, Representative Henry A. Waxman of California, delivered the coup de grace to enactment of such a controls program this year by voting against a proposed subcommittee bill.

• The House recently approved a bill to reauthorize and strengthen the Clean Water Act, which was strongly supported by the environmentalists, and a bill to authorize the Corps of Engineers to construct \$18 billion worth of water projects over the next 10 years, which was actively opposed by many of them. Both pieces of

legislation had overwhelming bipartisan support. On another key environmental issue, the House, with its Democratic majority, voted to slash \$40 million for cleaning up toxic waste sites from the Administration's budget request.

John Buckley, deputy communications director of the Reagan/Bush campaign said that polls taken by Richard Wirthlin, who samples public opinion for the White House, show that "the environment as an issue is not cutting against us as badly as it did a year ago," attributable in part to the fact that there is "less focus" on it now. But the brief explosion over last week's appointment of Mrs. Burford to National Advisory Committee on Oceans and Atmosphere indicates potential for politicization.

Environmental activists insist that there has been no basic change in what they consider the Administration's anti-environmental policies and that those policies will be an issue in the campaign. But they concede it is not the hot issue it once was. "It will definitely be harder than if we still had Watt and Burford out there," said Marion Edey, executive director of the League of Conservation Voters, the political arm for a number of environmental and conservation groups.

"Things may have improved, but only from black to dark gray," she added. "Before there was a spontaneous anti-Reagan environmental vote. Now, we have to educate people." The issue, Miss Edey said, may not be significant everywhere, but it will be "strategic in a number of areas, including New England, New Jersey and the Pacific Northwest," and leverage can be exercised through campaign contributions and volunteer activities, including door-to-door canvassing.

Mr. Reagan told his luncheon guests last week he would meet with them again, and he has scheduled a series of appearances this week to demonstrate his concern for the environment to the electorate. He will visit Chesapeake Bay, which is threatened by pollution, sign the 14th annual Environmental Quality Report at a ceremony on Roosevelt Island in the Potomac River and visit Mammoth Cave National Park in Kentucky for a briefing on the Park Service's restoration program. With skill and luck, the Administration may be able to avoid any environmental flareups before Election Day.

Can Troubled Trilogy Fulfill Dream? The Economy

It must develop a chip that so far has eluded everybody.

By ERIC N. BERG

EVEN in an industry populated by superstars, Gene M. Amdahl has been a standout. In the 1960's, he had a leading role in the design of the International Business Machines Corporation's System/360, still one of the most successful main-frame computers ever produced. In the 1970's, he founded the Amdahl Computer Corporation, building computers that were compatible with, but usually less expensive than, I.B.M.'s — and thus pioneering an entirely new market. Indeed, for the last 20 years, Mr. Amdahl's name has been golden in computer circles.

So the response was overwhelmingly enthusiastic when, in 1980, Mr. Amdahl announced a third pass at the brass ring. What he proposed this time was nothing short of a technological revolution: a supercomputer built around giant silicon wafers, each capable of performing the work of 100 ordinary microchips.

The technology, known as wafer-scale integration, crams circuitry onto a single, 2 1/4-inch-square piece of silicon, allowing information to be transmitted at extremely high speed and relatively low heat — the bane of powerful computers.

The financial forecast was equally dazzling. Mr. Amdahl predicted that Trilogy would reach \$1 billion in sales by 1986, two years after introducing the supercomputer. Thus, bankrolled to the tune of \$276 million, the largest start-up in the history of Silicon Valley and possibly the United States, Mr. Amdahl and two partners — his son, Carlton G. Amdahl, who left Magnuson Computer Systems, a company he co-founded, and Clifford J.



Gene Amdahl, chairman of Trilogy, with a prototype of his superchip.

Madden, a longtime friend who was chief financial officer at Amdahl Computer — formed Trilogy Ltd.

Four years later, the company's high-flying ambitions have come to earth with a resounding thud. Last month, Mr. Amdahl announced that Trilogy was abandoning its supercomputer and would concentrate instead on completing the giant chip — in hopes that other computer manu-

facturers may use it in their race against I.B.M. and the Japanese.

But superchip technology has proved unexpectedly complex, and the company concedes that it will not be able to deliver its chip in commercial quantities before 1988 — by which time it may have been overtaken by rivals. Even that prediction may be optimistic; Trilogy has yet to perfect the superchip, and is rapidly deplet-

ing its cash reserves.

If it goes under, Trilogy would be the biggest bust in Silicon Valley history, and the cause of huge write-offs by the large computer makers that invested in it hoping they could use the new chip in their own machines.

All told, Trilogy received \$80 million from "technology partners": \$42 million from Sperry, \$26 million from Digital Equipment and \$13 million from France's CII Honeywell Bull. Spokesmen for D.E.C. and Sperry said additional investment in Trilogy is under consideration, while CII Honeywell Bull declined to comment.

The computer companies at least may salvage some of Trilogy's pioneering wafer technology. The uncounted individual investors would probably lose everything if Trilogy fails. In its first year, Trilogy raised \$85 million from venture capitalists and \$65 million through a limited partnership that generated so much investor interest that Merrill Lynch, the underwriter, recorded bookings at \$1 million a minute. When Trilogy went public last November, it raised another \$55 million in the closest thing to a hot new technology issue that Wall Street had seen in months.

A spokesman for Merrill, which also handled the public underwriting, said that the prospectus clearly warned investors that the technology was unproven, but added that it was impossible to foresee that the venture would be so parlous. One of the risks cited in the prospectus, in fact, is that investors may find it difficult to sue Trilogy because it is incorporated in Bermuda as a tax haven.

In part, Trilogy's plight is due to a streak of extraordinarily bad luck. But analysts suggest that Trilogy's ambition was so overweening — to build not only a radically new chip but also a computer — and the technology so complex, that failure was inevitable for even a computer genius such as Mr. Amdahl.

The question analysts are asking now is whether Mr. Amdahl, in undertaking so colossal a task, truly understood its magnitude. "It was like building the Skylab or

lunar orbiter," said Perry C. Smith, who analyzes semiconductor technology at Arthur D. Little Inc., a Cambridge, Mass., consulting firm.

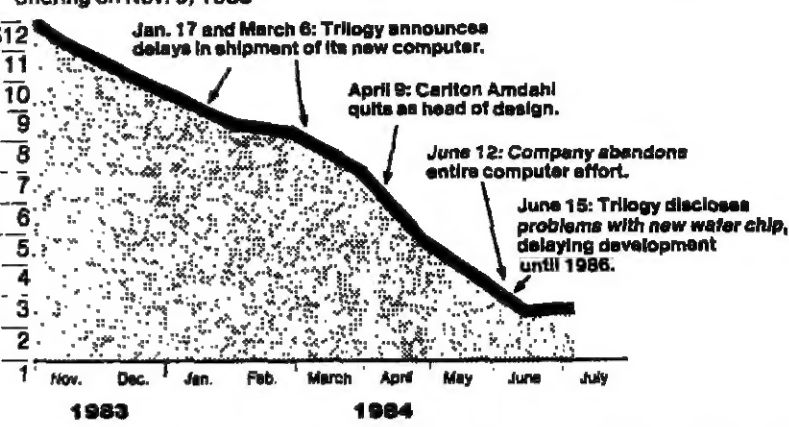
Of Trilogy's three founders, only Mr. Amdahl, 61 years old, the chairman and chief executive, remains. Normally accessible, he has declined request for interviews; this article is based on conversations with current and former Trilogy employees, industry analysts and others who work closely with the company.

Mr. Amdahl was among the last to arrive and the first to leave Trilogy's annual meeting last month at the

the wafer-scale chip this spring and to begin shipping supercomputers containing the huge circuit next December. From the first, however, Trilogy was cursed by problems, not all of them technical. Barely two months after the company was founded, Mr. Amdahl's Rolls-Royce struck and killed a motorcyclist. Mr. Amdahl got off with a misdemeanor manslaughter charge, but the months he spent defending himself against a civil suit, and his ensuing depression, caused big delays in developing the chip. Construction of Trilogy's big chip was slowed again in March 1982, when

An Unhappy Tale

The story of the stock's decline in over-the-counter trading since the public offering on Nov. 9, 1983



company's grassy, sprawling Cupertino headquarters. The obviously fatigued executive told shareholders that Trilogy's decision to abandon its supercomputer was "extremely disappointing and saddening to me; the American computer industry needs an alternative to I.B.M."

Indeed, the story of Trilogy is partly a story of Mr. Amdahl's continuing battle with I.B.M., the company that he joined as a physicist in 1962, left twice and has been seeking ever since to beat it at its own game. In 1970, he founded Amdahl Computer, making equipment that can run I.B.M. programs and be easily attached to I.B.M. computer devices.

He even created a new color, Amdahl red, which he splashed over his machines and many of the telephones in the office — a response, friends say, to Big Blue. But when I.B.M. came back with its marketing force and sent Amdahl into a tailspin, its founder had to raise money by selling his stake to Japan's Fujitsu Ltd. Having lost control of his company, Mr. Amdahl quit in 1979, and started Trilogy the following year.

The basis of Trilogy was the superchip, which theoretically could radically alter the way computers are made. Traditionally, computer chips have been built by etching identical circuits onto blocks of silicon. The blocks are then cut into thumbnail-sized squares, or chips. Eventually, enough different chips are created so that they can be linked on a printed circuit board to form part of a computer. Instead, Trilogy was to take the chips that would ordinarily go on a circuit board and cram them onto a single, oversized wafer of silicon — in effect reuniting the circuits on one 2 1/4-inch square.

Current would flow over far shorter distances on Mr. Amdahl's big chips and fewer chips would be needed — thus vastly accelerating the speed of data processing.

"There is no doubt that if Trilogy succeeds, it would have the makings of a billion-dollar company," said Neil H. Kleinman, general manager of the International Data Corporation's Pacific Technology Group, and a veteran observer of the semiconductor business.

The plan was to finish developing

doctors diagnosed a brain tumor in Mr. Madden, then Trilogy's president. He died that November.

But no matter how agonizing the personal tragedies that afflicted Trilogy, the technology has proved more formidable. In December, at a gathering of Trilogy executives to test a prototype of the big chip, the giant circuit shorted out, apparently because two microscopic wires crossed. Heat built up in the chip's circuits, turning the entire block of silicon a fiery red. By the time scientists removed it from its protective chamber, the chip was so badly disfigured they were unable to tell if back-up circuits had switched on.

Then in March, just as the engineers succeeded in untangling the short circuit, new problems arose relating to Trilogy's ability to pack as much computing power as it had hoped onto each of the wafers. That problem was critical, because the entire design of the supercomputer had been based on assumptions about the amount of circuitry that could go onto each wafer. When those assumptions proved false, the once-promising computer suddenly looked like a flop.

Trilogy managers decided to rework their computer so that it would have two central processing units — the core of a computer where all calculations take place. Failing to come up with an adequate design, Trilogy then decided to build a less powerful computer in which logic circuits would be spread over far more wafers than originally planned.

But by this time, morale at Trilogy had plummeted.

The key question now is whether Trilogy can complete at least the technology for its big chip, and in time to make a difference. Champagne corks popped last month when Trilogy succeeded for the first time in getting three of four sectors on its giant chip to work.

But it has not yet created a perfect superchip, and the company says it will be at least a year and a half before it can do so in commercial quantities. It also says it will run out of cash before then unless it gets fresh financing — a prospect analysts rate as poor, given that Trilogy has already lost \$37.8 million.

Israel's Apostle of High Technology

By NATHANIEL C. NASH

THE names are Middle Eastern. The geography is, too. But the story of Abraham Suhami, an Israeli academic turned millionaire businessman, could have been set in Silicon Valley.

Mr. Suhami's company, Elscint, a maker of highly sophisticated medical imaging equipment that takes pictures inside the human body, has had the sort of success normally associated with California's high-technology companies. Started 15 years ago with a \$250,000 investment from two friends, Elscint — the name is a contraction of electronic and scientific — has spurred ahead in the past five years. It earned \$12.6 million in the fiscal year ended last March, on revenues of \$132.1 million. Its payroll totals 3,300. It owns manufacturing plants and research centers in such far-flung cities as Boston, Chicago, Oxford, Paris, Milan, Haifa and Jerusalem.

Best of all, perhaps, Elscint generates 97 percent of its revenues outside of Israel, in effect doing all its business in dollars and insulating itself from triple-digit Israeli inflation. At the same time, it enjoys virtually tax-free status in its home country.

Elscint will raise its international profile higher next month, when it is expected to become the first Israeli company to be traded on the New York Stock Exchange. The company applied for listing in June and has been told by exchange officials that it has met the requirements, Mr. Suhami said. Elscint, which is already listed on NASDAQ, was the first Israeli company to be publicly traded in the American securities markets.

But if Elscint evokes Silicon Valley, Mr. Suhami, 49 years old, might himself be compared to another American business phenomenon — Lee Ia-

cocca. Both are outspoken men of seemingly boundless self-confidence, with a flair for business and a passion for public policy. Mr. Suhami is an unabashed advocate of capitalism and never hesitates to lecture Israel on how to run its economy. He likes to offer sweeping solutions to Israel's economic troubles, winning public exposure while avoiding direct involvement in the political process. He is

Elscint Ltd. AT A GLANCE

All dollar amounts in thousands, except per share data

Three months ended	1984	1983
Mar. 31		
Revenue	\$31,351	\$30,900
Net income	(3,073)	4,318
Earnings per share (\$0.19)		\$3.1
Year ended	1984	1983
Mar. 31		
Revenue	\$132,073	\$110,364
Net income	12,623	14,977
Earnings per share	\$0.78	\$1.00

Total assets, Dec. 31, 1983	\$277,199
Current assets	209,845
Current liabilities	140,109
Long-term debt	38,316
Stock price, July 6, 1984	10%
NASDAQ consolidated close	20-10%
Stock price, 52-week range	3-30%
Employees, March 31, 1983	3,300
Headquarters	Haifa, Israel

not a member of any political party. "I have friends and enemies in both major parties," he said.

Interviewed in his modest offices in this affluent suburb of Tel Aviv, the stocky Mr. Suhami spoke in a deliberate, almost professorial manner that suggests his early years as a teacher at the Technion, Israel's Institute of Technology in Haifa.

But his message was unequivocal: An Israeli company, and by extension Israel itself, can compete success-

fully with the biggest and best multinationals in the international marketplace. If Elscint succeeds, he reasoned, so can other Israeli high-tech companies. And as the high-tech industry expands in Israel, the country's economic problems will greatly decrease.

"What is good for Elscint is good for Israel, and not the other way around," Mr. Suhami said. "We want to make a lot of money at Elscint, and if we do that, it will benefit Israel."

According to Wall Street analysts, Mr. Suhami's strength is not necessarily in inventing a higher-tech mouse trap, but manufacturing and marketing one that someone else has invented. "His strategy is to lag in the development of a new product to better assess the direction of the technology and the marketplace," said Stephen L. Hanley, an analyst with L. F. Rothschild, Unterberg, Towbin.

"Let the other people make the first mistakes and then enter with a quality product at a somewhat lower price."

It was that steady-as-it-goes approach that led Mr. Suhami to specialize in high-cost instruments in the medical field. "Technology moves slower in medicine," he explained.

"Doctors are very cautious and once they get used to a diagnostic procedure, it becomes obsolete very slowly."

Mr. Suhami has positioned Elscint so that it now manufactures all six "modalities," or types, of medical imaging equipment. These include widely known technologies such as conventional X-ray equipment, CAT scanners and ultrasound imaging. They also encompass more esoteric technologies such as nuclear medical imaging, which tracks small quantities of radioactive substances injected in the body; digital radiography, which incorporates computer imaging capabilities into X-ray technology; and nuclear magnetic resonance, the newest technology, which

uses high levels of magnetism to image various parts of the body.

One advantage Elscint has, according to analysts, is that it is vertically integrated. By manufacturing a large portion of its most important components, it is able to shave profit margins and undersell its competition.

Another Suhami strength, according to analysts, is his willingness to be content with a narrow segment of the market. "He's not out after G.E.'s lunch," said Sarah Kendall Bayles, an analyst with Dean Witter. "He is going to compete on the margin, where price and quality are important." Added Mr. Hanley: "Suhami is not caught up with the view that he has to be first on stream or the largest producer."

Mr. Suhami has particularly stressed the marketing side of Elscint, reasoning that without a superior sales and service operation an Israeli company cannot compete in the United States and Europe. In fact, when one of its smaller American competitors, Xonics Inc., teetered on the edge of bankruptcy late last year, Elscint bought its X-ray sales and service operation.

According to Mr. Suhami, the medical imaging industry, currently \$5 billion a year, will grow to \$8 billion by the end of the decade. And his plans are to grow with it, to a 10 to 12 percent market share, up from his current 3 percent. At 12 percent, "we're a \$1 billion company, which is what I am aiming at," he said.

Mr. Suhami, who was born in the western Turkish city of Izmir, is a millionaire many times over; he owns 8.5 percent of Elscint, worth some \$15 million. But there are none of the signs of opulence — fast cars, plush offices and luxury homes — so common in high-tech California life. His Tel Aviv penthouse apartment, though spacious, is modestly furnished, his chauffeur-driven car is a Volvo and he dresses with the typical Israeli disregard for fashion.

Analysts had been expecting for months, came just a few days after Air Florida had named a new financial officer, and a week after it reported an \$8.4 million first-quarter loss.

Owning a home is becoming more difficult, and the outlook is not very bright. The average price of a new home passed \$100,000 for the first time in May and the interest rate for conventional, fixed-rate mortgages hit 14.76 percent in June, a two-year high. Spending for new single-family homes rose an anemic five-tenths of 1 percent in May, indicating that the builders are starting to realize they may have a glut of new houses on their hands. Indeed, more builders are branching out into the selling and financing segments of the business to entice buyers.

Tramiel Back in Business. Having helped to drive Atari to record losses by cutting Commodore's prices, Jack Tramiel stepped in to pick up the pieces and bought Atari from Warner Communications.

Merrill Perlman

WEEK IN BUSINESS

A Startling Drop in Unemployment

A sharp drop in the unemployment rate, to 7 percent in June, was good news on the surface. But the fourth of a point drop from May worried some economists, who said an economy that is expanding so fast as to account for such a big drop is an economy headed for a fall. Nevertheless, the rate was at a four-year low, and, combined with the persistently low inflation rate, is sure to lift President Reagan's re-election hopes.

The drop was a surprise to many economists, who had expected the rate to remain relatively stable. It was the latest in a series of missed predictions on the economy, and seemed to lend further credence to the belief that the economy is under-going such fundamental changes that the standard means of measuring it are no longer valid.

Dollar Dealings. The currency of the United States has been gaining strength on foreign markets for about five years, as investors are attracted by rising American interest rates. Last week the dollar hit records against many of the major cur-

cies, including the British pound. Even high Federal budget deficits and fears of an overheating economy have not deterred the speculators. Indeed, the surprisingly low inflation rate is another attraction. But as investors head for dollars, they leave the shelter of precious metals: Gold hit two-year lows in London, closing at \$341 Friday. It traded as low as \$338 an ounce on the August futures market in New York; its late spot bid Friday was \$345. Silver and platinum also continued their months-long declines.

All that economic activity had its effect on the markets as the week progressed. Bond prices rose before the midweek holiday in anticipation of the completion of the Government's quarterly financing, but yields rose when the final bonds were auctioned. Prices rose Friday with the announcement of the fall in the jobs rate and a \$1 billion rise in the basic money supply, lower than had been expected. The stock market was quiet for most of the week, ending at 1,122.57, down 8.83.

Auto sales continued their surge in late June, rising 10.9 percent to the best annual selling rate in six years — 8.3 million units. The big retailers, who also have been enjoying a relatively good year so far, said their sales in June kept going up, although at a more subdued pace. Factory orders and spending for new construction both resumed their upward climb: Factory orders rose 1.9 percent in May, and new outlays for building rose 1.8 percent.

The World Bank cut the rate it will charge on loans to developing countries to 9.89 percent, from 10.08 percent. The cut, although small, is heartening to those nations, which have been burdened further by rises in interest rates elsewhere, increasing their payments to other creditors.

Sudden Downturn. Air Florida's filing for reorganization is being blamed on the same cutthroat marketplace created by airline deregulation that allowed Air Florida to grow rapidly from a puddle-jumping commuter airline to a regional and international carrier. The filing, which

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JULY 6, 1984				
Company	Sales	Last	Net Chng	
AT&T	3,454,300	17 1/2	+	1 1/2
EDS	3,391,700	43 1/2	+	1 1/2
STO Ind	2,809,300	56 1/2	+	1 1/2
Transco	2,563,000	83	+	9 1/2
Intl Gr	2,431,800	55	+	3 1/2
Confil	2,404,800	4 1/2	+	1 1/2
IBM	2,200,500	105 1/2	+	1 1/2
US Steel	2,081,000	22 1/2	+	1 1/2
Exxon	2,065,000	40 1/2	+	1 1/2
Boeing	1,983,500	45	+	1 1/2
Diam S	1,983,300	20 1/2	+	2
Digital	1,916,500	81 1/2	+	2 1/2
Wm Cn	1,913,200	18 1/2	+	4 1/2
Mobro	1,854,700	33	+	1 1/2
Petrin	1,849,300	19 1/2	+	1 1/2

Standard & Poor's				
400 Indust	175.3	173.8	175.1	+0.42
20 Transp	128.9	124.7	126.6	+1.43
40 Util	63.5	62.7	63.4	+0.46
40 Financial	15.1	14.9	15.1	+0.06
500 Stocks	155.8	152.4	153.7	+0.62

Dow Jones				
30 Indust	1139.1	1120.2	1134.2	-1.88
20 Transp	480.7	468.1	479.4	-5.24
15 Util	124.9	123.4	124.4	+0.19
65 Comb	442.7	434.5	441.0	+1.77

The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED JULY 6, 1984				
Company	Sales	Last	Net Chng	
DomePet	1,219,000	2	-	5/16
Amdahl	856,900	11 1/2	-	1/2
Wang B	641,800	27 1/2	-	1/2
TIE	514,500	13 1/2	-	1 1/2
EchoB	488,900	7 1/2	-	1 1/2
Sundre	355,800	9	+	1 1/2
Anthm	338,100	10 1/2	-	1 1/2
DataPd	244,800	18	+	1 1/2
NYTimes	244,600	31 1/2	-	1 1/2
GRCD	227,200	11 1/2	-	1 1/2

MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
765	1,129	2,223	51	249

VOLUME				
Company	Last Week	Prev. Week	Year To Date	
Total Sales	271,185,100	11,736,646,139		
Same Per. 1983	316,681,280	11,476,864,552		

WEEK'S MARKET AVERAGES				
High	Low	Last	Net Change	
104.5	103.8	104.5	+1.21	
79.7	78.6	79.7	+0.98	
43.6	43.2	43.6	+0.18	
80.8	80.2	80.8	+0.21	
88.3	88.0	88.3	+0.05	

New York Stock Exchange				
Indust	104.5	103.8	104.5	+1.21
Transp	79.7	78.6	79.7	+0.98
Util	43.6	43.2	43.6	+0.18
Finance	80.8	80.2	80.8	+0.21
Composite	88.3	88.0	88.3	+0.05

VOLUME				
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The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYPOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
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Coping With All That Good News

The economic news is remarkably good: Unemployment has fallen to 7 percent, the lowest rate in four years, while inflation holds steady at a modest 4.6 percent. Naturally, President Reagan hastens to take credit. His Administration, he says, "is the first in two decades that has reduced unemployment and inflation at the same time."

Mr. Reagan deserves some credit. His opposition to protectionism and hard line on labor have made the economy somewhat more competitive and more resistant to inflation. But credit also goes to President Carter, who led the drive to deregulate the transportation and energy industries. And some belongs to the Federal Reserve, which forced the recession that flattened inflation. And Congress, which created the economic safety nets that prevented social collapse during the recession.

All politics aside, the deeper message is that the American economy is performing well in spite of Government — better than comparably affluent economies of Western Europe and far better than anyone expected. It would be a pity to haggle now about the credit when what is needed is sharp analysis and prescription to keep the magic alive.

At first glance, the good news seems due mostly to a normal swing of the business cycle. After a nasty bout of inflation and the oil shock of 1980, the economy succumbed to an equally nasty recession. Recovery finally occurred last year thanks to the Federal Reserve's loosened monetary policy, which held down interest despite the immense injection of purchasing power from the huge Federal deficits. But in similar recent recoveries, the inflation rate always started higher than in the previous

cycle and responded more quickly to growth in employment. Indeed, this ever-worsening "trade-off" between inflation and unemployment led many economists to conclude that the postwar era of Western progress was coming to a close, that the industrial democracies could no longer sustain economic growth — that stagflation was chronic.

And it's possible that the current good news is only a statistical blip created by coincidences. World commodity prices are low and uncharacteristically stable. The strong dollar, an artifact of the big budget deficits, keeps down the prices of imports and domestic products that must compete with them. But it's also possible that America's version of capitalism is proving more resilient than had been thought possible. Challenged by a sudden awareness that American business must compete in world markets, management and labor are responding with cooperation rather than confrontation and reaping the reward.

And if that is so, a truly valuable political debate this year would focus not just on the traditional methods by which Government can sustain recovery but on what Government needs to do to avoid interfering with recovery.

Certainly the deficit needs to be sharply reduced and the big social programs for the middle class need to be contained. It would be wrong as well as self-defeating to abandon social obligations to the poor in the casual hope that the rising tide will lift all the boats. But the hardest questions promise the biggest payoffs: How to rewrite the tax laws and farm subsidies and other hidden taxes that have the effect of favoring special interests at the expense of general prosperity. It's when the sun shines that a wise society repairs the roof.

Cold Comfort From the Court

The Supreme Court ended its 1983-84 term with a pile of important decisions that seem disastrous for civil liberties, civil rights and even respect for law. The current majority continues to reach out awkwardly, even injudiciously, to open loopholes in the Bill of Rights. For all the restraint preached by conservatives, the final week alone brought three decisions that increase governmental power over innocent and guilty citizens alike.

Even a short list of legal low-water marks would have to include the new "good faith" exception to the exclusionary rule. That rule is the weapon the Court has used to stand sentinel against unreasonable searches violating Fourth Amendment rights. In 1914, a unanimous Court said the Constitution would be meaningless if law officers could use at trial the fruits of illegal — that is, unreasonable — searches.

Now the Court announces that when a search or arrest warrant proves defective, the evidence can be used anyway because police relied "reasonably" on the defective document. If the concept of a reasonable unreasonable search is hard to accept, what's worse is the intimation that more exceptions to the rule will follow.

Another decision will be felt for years by those who look to Federal courts to vindicate basic rights. The Court held that parents of black children may not sue the Internal Revenue Service to get tough on private segregation academies. Are blacks hurt by tax breaks for schools that drain whites from public schools? Not enough to win standing to sue — not unless, Justice O'Connor allowed, they apply to those academies and are turned down. What an example of humane thought: black children appealing for acceptance by schools established to discriminate against black children.

Compare the Court's response in that case to the hospitality it recently showed white firefighters in Memphis who had been laid off in budget cuts but were then quickly rehired. They complained that all

recently hired blacks had to be fired before them. The Court took that case and issued a ruling that needlessly called into question many good-faith efforts to integrate work forces.

Two other decisions last week, involving Virginia prisons and Los Angeles jails, raise questions about how accurately the Justices perceive life behind bars. Here is what Chief Justice Burger said speaking of jail conditions for prisoners awaiting trial — the same trial at which they will be presumed innocent:

"No one familiar with even the barest outline of the problems of the administration of a prison or jail ... could fail to be aware of the ease with which one can obtain release on bail or personal recognizance. The very fact of nonrelease pending trial thus is a significant factor bearing on the security measures that are imperative to proper administration of a detention facility." In other words, forget about innocent until proven guilty. These people are dangerous. Also guilty.

The Chief Justice is eloquent in speeches about the need for more humane prisons. Now, in his Virginia case opinion, he denies that they have any duty to safeguard an inmate's dignity from cell searches and the whim of his guards. He, and a 5-to-4 majority of the Court, ruled that a prisoner's most personal effects, even a picture of a girlfriend or children, are not safe from arbitrary seizure and destruction. How much more decency radiates from Justice Stevens's dissenting view that American society is capable of honoring minimal privacy rights for even its most despised members.

The uneasy sense generated by these decisions is that justice, never blind but usually evenhanded, has become political. Justice does tend to run in cycles, and a slice of America may be satisfied. To us, it sounds mean-spirited. So, too, to Justice Brennan. In a dissent on the last day of this term, he wrote: "There is hope, however, that in time this or some later Court will restore these precious freedoms to their rightful place as a primary protection for our citizens against overreaching officialdom."

Topics

Old Bears and New

The Oldest Bolshevik

A bitter Czech epigram holds that nothing is harder to predict than the past. No one better epitomizes the past the Soviet Union wants to rewrite than Vyacheslav Molotov — Stalin's faithful Prime Minister and Foreign Minister. In disgrace since 1957, Mr. Molotov has been luckier than most Soviet losers. At 94, he's still alive, and has now been reinstated in the Communist Party he first joined in 1906.

He has been lucky in another respect. He has not been expunged from the Soviet Encyclopedia, which outlines his career in 17 lines. But you may be sure it doesn't elaborate on his key role in negotiating the infamous Nazi-Soviet pact in August 1939 that freed Hitler to loose his army against Poland.

Soviet history has systematically misrepresented this treaty of alliance by ignoring its "Secret Additional Protocol." This was the price Hitler paid for Soviet neutrality. It placed Finland, Estonia and Latvia in the Soviet sphere and divided Poland into German and Russian spheres. The

historian Louis Fischer calls the protocol "the charter of the Soviet empire." Once Poland was conquered and dismembered, the Nazi legions swarmed west into Belgium and Holland in May 1940. The day that happened, Mr. Molotov congratulated a German emissary, saying he had "no doubt" of Hitler's success. This sinister complicity is unknown to most Russians.

Under Mr. Molotov's old boss, opponents were murdered or herded into the gulag. But when Nikita Khrushchev took charge in 1957, Mr. Molotov was sent as ambassador to Outer Mongolia. Now the oldest Bolshevik has been reinstated as a party member, a comradely way of burying a bloodier past.

What New York Needs

Everyone knows that New York City needs subways that won't drive passengers to tears and roadways that will be kinder to buses and cars. It also needs more teachers, more police, more low-income housing, more comfort stations, more flowers, trees

and sunny days. A daily garbage pickup wouldn't be bad either.

But until Deputy Mayor Kenneth Lipper, who's in China right now, announced what he hopes to have among his souvenirs, how many of us realized how much the city needed a pair of pandas?

And why not? New York is the perfect place for an endangered species that also happens to be a fuzzy eater. The Bronx Zoo boasts a superb genetic breeding facility; the New York Botanical Garden promises a fine stand of bamboo.

But if New York has a lot to offer pandas, think of what pandas can offer New York. Only those few people who've known a panda's right hook can possibly dislike a creature designed to delight. Its waddle is fetching. So is its two-fisted approach to bamboo sprouts, and its teardrop eyes would melt a cement heart.

In a city in which no two minds are ever on the same course, pandas would become a point of agreement. Like the "tame gazelle" and "gentle dove" in a poem by one Thomas Haynes Bayly, they are "something to love, oh, something to love!"

Letters

I.M.F. Obstacles in Latin Democracy's Path

To the Editor:

Anthony Lewis's June 25 column, "Debts and Reality," raises an issue almost entirely overlooked in recent coverage of the Latin American debt problem.

Latin American nations are now resigned to sharing national economic management with a foreign institution. International Monetary Fund austerity programs necessarily mean abridged economic autonomy. Non-autonomous control of economic policy is destabilizing to any nation, but for less-developed countries (L.D.C.'s) attempting to pursue a democratic-capitalist path, it is even more threatening.

To allow foreign programs to take precedence over basic development strategy issues, such as political participation, economic growth and socioeconomic equality, undermines the legitimacy of these governments in the eyes of their citizens. Not only are social and political concerns bypassed, but austerity measures often require the suspension of democratic programs and the increased presence of the military in politics. It is time to ask, Why is the largely U.S.-controlled I.M.F. pursuing its present policies?

What is even more disturbing is that these I.M.F. policies could never be successful enough to justify such sociopolitical sacrifices.

I.M.F. programs do not attempt to resolve the mountain of debt that Ar-

gentina, Brazil and Mexico are laboring under. They are designed to improve short-term debt-service capacity. Neither the principal nor the basic structural problems in the L.D.C.'s economies are affected by the present monetarist solution.

In fact, experience has shown that as a result of constructionist monetary policies, which suffocate domestic demand, free up the market and restrict government spending — thus cutting much-needed investment — the export-earning industries first flourish and then deteriorate. Import substitution becomes largely impossible, and agricultural productivity



Richard M. Holland

remains weak. Imports become harder to keep out of the country, and exports more difficult to move.

These changes in national economic policy are happening to nations that have known steady growth for over 25 years. While their standards of living and per-capita incomes are still modest, a fundamental change has taken place. These people have come to expect growth, to expect a better future in lives that are still largely dominated by scarcity.

When per-capita income is slashed 12 percent in three years, people turn to their governments for action. Political opinions become mobilized, and citizens expect their increasingly democratic governments to be responsible. How long can the legitimacy of a democratic-pluralist regime survive when foreign interests supersede the interests of the people the government represents?

The programs of democratization that are being attempted in Latin America are under unnecessary severe strains. There is no question that some form of austerity is needed. These nations must be restored to economic balance, not so they can meet interest payments but so they can avoid the structural problems at the very bottom of this debt.

Present I.M.F. policies are unsatisfactory both economically and politically. The answer to Latin America's \$350 billion debt does not lie here. It is in the best interests of both the Western world and Latin America that these nations be given the opportunity to grow in the democratic-capitalist model.

As the leader of the "free world," it is not our place to undermine others' efforts at achieving representative government. And if these nations are to right their economies and experience sustained growth, recent history has shown that they are much more likely to do so under a democratic form of government rather than any other.

As co-caretakers, the I.M.F. and the governments involved must find compromises that make recovery substantial and also preserve the integrity of these emerging democracies.

JONATHAN R. MALKIN
New York, June 28, 1984

Banks' Responsibility

To the Editor:

Anthony Lewis details well the nature and likely adverse consequences of the growing third-world debt, both to those nations and to the banks (mainly U.S.) that made the loans.

Unfortunately, he devoted only the last paragraph to solutions. The "official help" he recommends to ease bank losses in writing off loans implies cost to all American taxpayers that may dwarf whatever deal is finally arranged to save Continental Illinois.

Yes, concurrent failure of major banks with large uncollectible foreign loans would have a damaging domino effect on our entire economy. But it's unfair that all American taxpayers, rather than stockholders of the banks, should pay the bulk of the cost of rescuing private banks that made poor foreign loans initially and, to prevent their debtors' default, followed up with more loans, which are as unlikely to be repaid as the initial ones.

LAWRENCE I. GOULD
Beachwood, Ohio, June 28, 1984

Deposits Over \$100,000 Could Be Safe at a Price

To the Editor:

In his June 30 Op-Ed article, Perry Quick suggests a two-tiered Federal deposit insurance system: deposits at larger banks would be fully insured, those at smaller banks would be insured to \$100,000 (larger banks would pay a higher premium for the added coverage). But why not let depositors at all banks choose between full insurance, subject to a premium, and insurance to \$100,000?

If the public knew that in the failure of any bank — large or small — only those unwilling to pay for insurance of deposits exceeding \$100,000 would be hurt, there would not be general panic.

PAUL S. NADLER
Professor of Finance
Rutgers University
Newark, June 30, 1984

No Visit for Shcharansky

To the Editor:

The Kremlin added a cruel postscript to your July 1 news story on the forced separation of Avital Shcharansky and her husband, Anatoly, now in Chistopol Prison. His mother and brother in Moscow were informed, without explanation, that their semiannual two-hour visit (scheduled for July 4) had been canceled.

GLENN RICHTER
National Coordinator
Center for Russian Jewry
New York, July 1, 1984

Minimally Distractive Mobile Telephones

To the Editor:

In a letter you published on June 21 ["Do Telephone Calls and Driving Mix?"], William Apple expressed concern about the safety of using cellular mobile telephone service while operating a car.

We at the Nynex Mobile Communications Company share Mr. Apple's interest in safety issues. However, we consider a cellular mobile phone to be similar in many ways to C.B. radios and conventional mobile telephones, which are in wide use and to our knowledge have not resulted in increased automobile accidents. A driver would find a cellular telephone no more distracting than a conversation on one of these devices or with another occupant of the vehicle.

To minimize distractions, Nynex cellular mobile phones can be programmed to dial telephone numbers with one-button activation, and a customer may purchase a "speakerphone," which allows hands-free operation of the phone.

In the interest of maximizing safety, a handbook distributed with each of our mobile telephones recommends that customers stop the car in a safe location before placing or when receiving a call.

I can assure you that Nynex Mobile Communications will continually monitor the use of cellular mobile

telephone service with a view toward improving the safety and efficiency of its use.

GORDON S. FRASER
Vice President, External Affairs
Nynex Mobile Communications
Pearl River, N.Y., June 27, 1984

Unprotected Toll Cards

To the Editor:

Your statement in a June 16 Business Day article that "telephone customers are not responsible for payment of toll calls charged illegally" is somewhat misleading. As we have informed the Federal Reserve Board, consumers are not currently protected under Federal Truth in Lending Law (Regulation Z) provisions on credit card liability.

The board is seeking to clarify this regulation and subject these cards to its protection. Thus far, it is only because telephone long-distance carriers have adhered to a policy of not charging their customers for unauthorized use of phone numbers that consumers' pocketbooks have been spared.

I am hopeful that the board will soon take positive action in this matter. Until then, I thought you would want to know the current status of Federal law in this area.

VIRGINIA H. KNAUER
Special Adviser to the President
for Consumer Affairs
Washington, June 27, 1984

The Unequal Burden of a Federal Tax Surcharge

To the Editor:

Your June 26 editorial "The Tax Increase of '85" contains an important error in stating that "an across-the-board surcharge would ask equal sacrifice of all."

In fact, a surcharge under the existing system would collect little or no tax from those who take advantage of tax loopholes or fail to file returns at all. Virtually all of the burden of a surcharge would fall on those who are already paying more

than their share. Surely the correct remedy is to broaden the tax base so as to collect from those who have economic income on which they do not pay taxes.

You are correct, however, in noting that a value-added tax need not be regressive. It also need not be "hidden"; it could be separately stated on invoices at every level, so that consumers would be aware that they are paying it.

WILLIAM G. DAKIN
Pelham, N.Y., June 28, 1984

'Provocative' Cruise Missile Deployment

To the Editor:

The deployment of long-range cruise missiles on U.S. warships (news story June 28) is a new and alarming symptom of the Reagan Administration's militaristic disease. The fact that this took place at a time when Congress is heatedly debating the issue leaves no doubt that the President intends to crush all opposition to his program to rapidly build up U.S. military muscle.

The arms race has been given a new impetus, but that is not the only consequence of Tomahawk missiles appearing on U.S. vessels. It adds further hypocrisy to the Administration's earlier statements regarding U.S. commitment to arms control.

Deployment of sea-based cruise missiles would not only greatly complicate strategic arms limitation and reduction talks, it would jeopardize chances for any agreement, since it is impossible to know the precise number of such missiles installed on ships, especially submarines.

By not ratifying SALT II, the U.S. has ruled out any possibility of reaching agreement on long-range cruise missiles, as stipulated in the treaty protocol. Both the U.S. and the U.S.S.R. had undertaken to examine the issue of cruise missiles later and resolve it. It now appears that Washington has decided to deploy these weapons and to drop the protocol.

With long-range nuclear cruise missiles deployed in large numbers, Washington undoubtedly expects to get around any agreements on strategic armaments that might be concluded. That explains why, at the start of talks in Geneva, the U.S. insisted on first cutting the numbers of ground-based ballistic missiles — the core of the Soviet strategic potential — leaving the question of cruise missiles up in the air.

The Reagan Administration's ac-

tion in deploying long-range cruise missiles on combat ships intentionally cut the ground from under any further search for ways to limit and reduce strategic weapons. This step looks particularly provocative because the Soviet Union has been sincere in working for measures to hold back a race in naval armaments, e.g., during the Soviet-U.S. talks on the limitation and subsequent reduction of military activities in the Indian Ocean, which, like the talks in Geneva, broke down through U.S. fault.

Last April, the U.S.S.R. again put forward a number of proposals to cut down naval activities and naval weapons. Unfortunately, the Reagan Administration prefers missiles to negotiations.

But has it crossed the minds of American cruise-missile enthusiasts how the strategic situation would look for the U.S. — whose territory is so much smaller than that of the U.S.S.R. — if, speaking hypothetically, the Soviet Union were to deploy its cruise missiles around the U.S.?

ALEXANDER MALYSHEV
Moscow, June 29, 1984

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FOREIGN AFFAIRS

Freeze That Blarney

By Flora Lewis

PARIS, July 7 — The Administration is plunging ahead with President Reagan's "Star Wars," even as it prepares for possible talks with the Russians on space weapons in September. But the rhetoric is changing. The research on missile defense has been somnolently renamed Strategic Defense Initiative, to avoid making clear that deployment would breach the Anti-Ballistic Missile treaty. S.D.I.'s director, Lieut. Gen. James Abrahamson, has testified, however, that Soviet agreement to change the treaty would be "the only way we could go forward" once development reaches a certain point.

In his argument for the program, he said that the Russians were already making "massive investments" on a similar scheme and that a "U.S. program capable of responding to Soviet deployment could lead to a safer world."

This implies that Moscow is going to be first up there, although other Administration arguments for Star Wars claim it's a way to give America a huge jump ahead. The Russians say they want to ban all weapons in space. The U.S. says this won't be verifiable and suggests forbidding only systems that could kill satellites in very high orbit.

In the course of the debates, there has been a drastic retrenchment of what Washington says Star Wars can do. There is no repetition of President Reagan's promise of making nuclear weapons "impotent and obsolete." Increasingly, it is admitted that missiles, not cities and people, will be protected.

General Abrahamson did not even pretend to Congress that "strategic defense" will permit throwing missiles away. "In the event the nation decides in the future to deploy effective defenses, a capable offensive force will be important to maintaining deterrence and stability as we transition to an offense-defense force balance and new arms-control regimes," he said.

In plain English, an "offense-defense balance" means keeping missiles and missile-killers. Nor was there any suggestion that there would be protection against nuclear weapons that don't travel through space — bombs, cruise missiles, etc.

The Scofield commission's final report on strategic arms gave only hesitant backing to Star Wars research, urging more early attention to arms control and "prudence" before any engineering development, let alone tests. Yet General Abrahamson's command is already planning "demonstrations" of possible components, and there has been one successful destruction of a missile by collision.

When are the "new arms control regimes" to be sought — before, or after the weapons are there and the billions are spent? Both the anti-nuclear campaigners and the big re-armers have taken to outlandish, deceptive language to make their positions sound logical.

Before writing "1984," George Orwell said in an essay on the perversion of the political tongue that English "becomes ugly and inaccurate because our thoughts are foolish, but the slovenliness of our language makes it easier to us to have foolish thoughts."

There is no more extreme example than the current nuclear debate.

Even "deterrence" has become a cloudy word. It has a simple meaning: to prevent war. The question of morality isn't about that, it is about whether the threat to retaliate with nuclear weapons is an acceptable way to prevent war.

"Deterrence" and "Mutual Assured Destruction" have merged into a single notion, but they aren't the same. Freezers and advocates of MAD argue that a policy of more accurate weapons trained on military targets is a "war-fighting scenario" because it suggests a nuclear exchange might be less than suicidal, might, in Defense Secretary Casper Weinberger's word, permit the U.S. to "prevail."

That isn't necessarily so. The risk of war isn't increased by the shift of targets from cities to missile silos and command bunkers. It is increased by the notion of prevailing.

No wonder the public is confused. But that confusion has its own peculiar dangers. Physicians for Social Responsibility, an antinuclear organization that specializes in scare stories, distributes quotes it collects from children. A typical one is, "I dream of a huge cannonball the size of the earth. And I just see black and there would be no salvation. I have the nightmare many, many times."

President Reagan said he was disturbed by letters from children "often filled with terror." General Abrahamson said "the mere promise of such [nuclear defense] options may remove the pall of fear and anxiety that overshadows our young... Is this what the Physicians achieved? Does a fright campaign bring mindless response? Did the freeze movement bring us Star Wars?"

The evidence is growing that it did. The first line of defense has to be cleaning up our language on these issues. Slovenly expression is "smothering" our heads without a shot being fired.

James Reston is on vacation.

WASHINGTON — Terrorism is having yet another periodic revival as a major political issue.

President Reagan and Secretary of State George P. Shultz have denounced state-supported terrorism and insisted at the economic summit meeting in London that the industrialized democracies collaborate better to bring this under control. Debate is raging over the implications of the Italian prosecutor's report on the attempted assassination of Pope John Paul II, which implies that the Bulgarian Government, and perhaps even the Soviet Government, were behind the attack. A bill has been submitted to Congress that would impose criminal sanctions on Americans assisting or training terrorists identified by the Secretary of State. Behind these problems looms the nightmare of possible nuclear terrorism.

Such concern is hardly new. We heard much the same unease and the same call for a definitive remedy after the Palestine Liberation Organization attack on the Munich Olympics in 1972, the Red Brigades' kidnapping and murder of the former Italian Prime Minister Aldo Moro in 1978, the attack by the Japanese Red Army at Lod Airport in Israel in 1972, and on back to concerns about the Bolsheviks in the 1920's. None of this concern is unwarranted, but we

William E. Colby, who was Director of Central Intelligence from 1973 to 1976, is senior adviser to International Business-Government Counselors Inc., a firm that analyzes country risks for possible investors.

should beware of undue alarmism and unrealistic hopes for a comprehensive solution.

In fact, the more grave the terrorist threat, the more certain it is that it will be suppressed before it causes serious disruption, threatening the state or the public order. Today, the Red Brigades are impotent, the Bader-Meinhoff gang, in West Germany, has been suppressed and the Japanese Red Army is hardly existent. The extensive terrorist actions in the 1960's by the Argentine Montoneros and the Uruguayan Tupamaros were brutally but effectively suppressed by the military of those countries. India's crackdown on the Sikhs is the latest demonstration of a state's ability to crush such a threat to its authority.

Besides, in most cases, the drama of terrorism grossly exaggerates its real effect. Thus, Irish Republican Army terrorism has made essentially no progress against British rule in Northern Ireland. Che Guevara's romanticism brought concern over possible mass insurgency in Latin America but little change in its political or social systems. Certainly, the Symbionese Liberation Army and the Weathermen had little effect upon the ordinary American citizen's life, compared to many social problems we tolerate with equanimity such as the 23,000 Americans who die each year from handgun misuse or the 25,000 killed by drunken drivers.

What exactly is terrorism? It is a tactic of indiscriminate violence used against innocent bystanders for political effect — and it must be distin-

Taking Steps To Contain Terrorism

By William F. Colby

guished from the selective use of violence against the symbols and institutions of a contested power, which is unfortunately a norm of international life.

The difference is critically important. Without it, there is no way to distinguish "your" terrorist from "my" freedom-fighter or to differentiate aid to terrorists from covert support of friendly forces like the Nicaraguan contras, or counterrevolutionary fighters. Aid to friendly guerrilla forces, from the American colonists to the Afghans today, is a regular part of the international contest, whereas the indiscriminate use of violence can be denounced on a solid moral basis.

We probably cannot eliminate terrorism, but we can take steps to contain it. Intelligence is the first arm of defense against the terrorist, identifying him, his cause and his supporters. Such intelligence can provide tips about general plans or specific tactics

that can lead to the frustration or capture of the terrorist. Along with the careful accumulation and collation of data, it may often include exchanging information with other friendly nations and occasionally launching risky and difficult missions to infiltrate terrorist groups.

This requires resources, but it also requires that the intelligence services not be hamstrung in their operations by great public exposure or excessive legalistic restraints. Obviously, the innocent citizen must be protected from excessive governmental intrusion, but reasonable protection can be obtained by legislative and judicial supervision.

The second major step to protect against terrorists involves security practices that make their task more difficult. The barriers around public buildings, the electronic screening of crowds, irregular schedules for multinational executives and effective police work can all be carried out with minimum inconvenience to the public but maximum deterrence against the would-be terrorist.

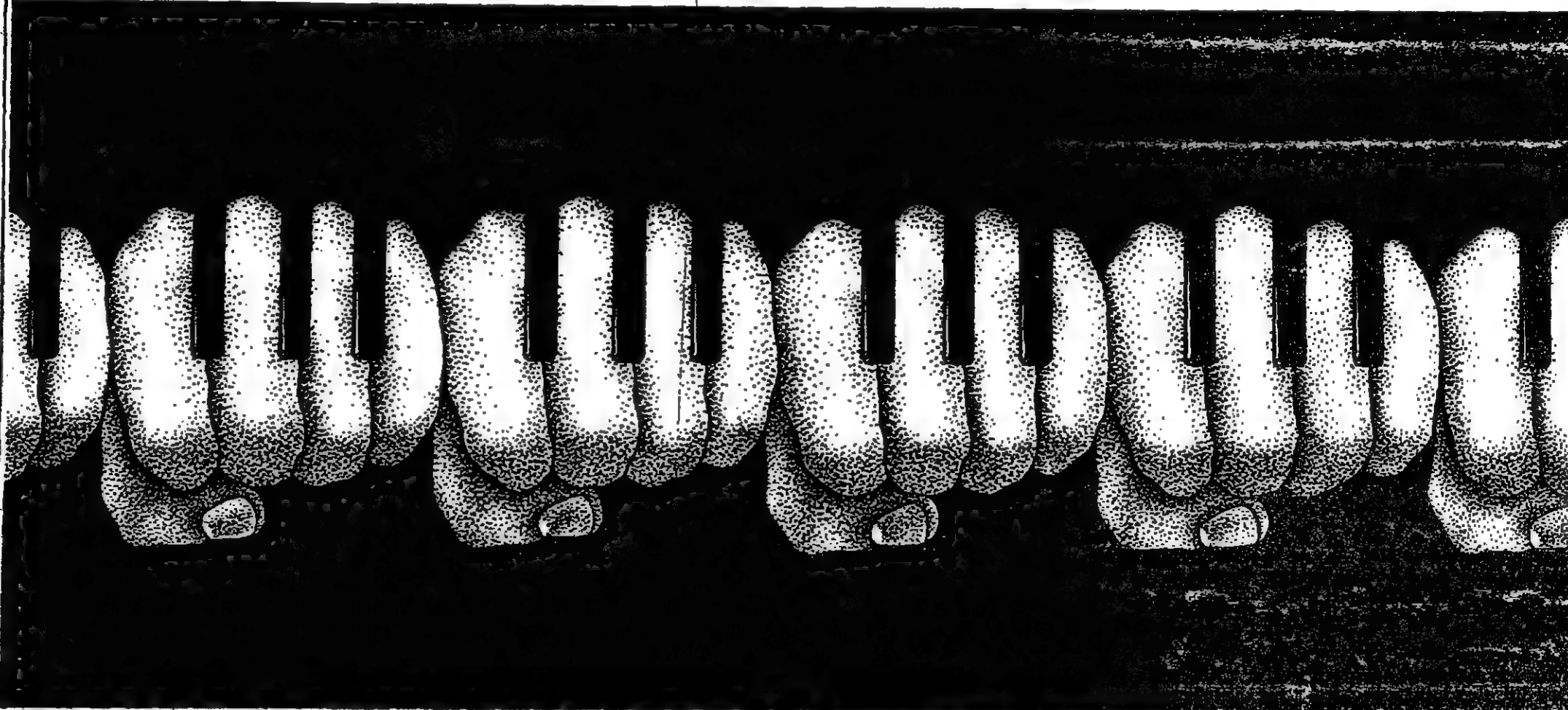
But finally — and this may be the most important rule for any government hoping to protect itself and its citizens from terrorists — success against terrorism can be achieved only if the public supports the effort. The difference between a public that reports evidence of terrorists to the authorities, even at some personal risk, and one giving covert support or even cowed into silence, can mean the entire difference between success and failure.

In this, international public opinion

can also be enormously important. The international rejection of the South American tactic of "disappearances" severely weakened those governments who practiced such abduction and arbitrary killing. The death squads in Central America have made it difficult for international friends to support the governments in some of those nations.

Moreover, the best way to insure public support is to insist that the rule of law be fully applied in the fight against the terrorists. The French use of torture in Algeria in the 1960's was widely repudiated by French public opinion, greatly undermining what had been a successful strategy against the National Front for Liberation.

Why is the rule of law so important? The most successful tactic against the guerrilla or terrorist is to recruit him, not shoot him. To do that, he must be confident that he will benefit from any amnesty that is offered and be subjected only to a coherent rule of law. The terrorist also must be turned from his belief that violence can advance a cause valuable to his compatriots by a demonstration that a better result lies in the programs and policies of a government determined to ameliorate the lot of its people and to treat even its enemies with justice, even if this must be stern in some cases. If terrorism is the indiscriminate use of force against innocent bystanders, it is clear that a government resisting terrorism must be discriminate in its use of force to insure the safety of its bystanders.



Yugoslav Vlahovic

AMHERST, Mass. — Outside of a handful of economists, hardly anyone took note back in 1972, when Richard M. Nixon told the American public, "We are all Keynesians now." Some may have wondered what that meant. But most people who knew what the economist John Maynard Keynes had come to stand for — an expanded economic role for Government deficits to moderate recessions — probably agreed that his Depression-born view of economics had become part of the conventional wisdom.

Among economists, however, the counterrevolution was already well under way. Under the banner of monetarism and supply-side economics, "business groups, right-wing 'think tanks' and economists were mounting a highly successful attack on Keynesian economics. They blamed the expanding role of Government for the slowdown in productivity growth and claimed that deficit spending had done America more harm than good.

By the end of the 1970's, Keynes was all but dead. Then, a miracle happened. Cleverly garbed in a patchwork cloak of monetarist and supply-side colors, Ronald Reagan brought Keynes back to life.

The most recent Economic Report of the President makes this clear:

Samuel Bowles is professor of economics at the University of Massachusetts, Amherst, and author, with David Gordon and Thomas Weiskopf, of "Beyond the Waste Land: A Democratic Alternative to Economic Decline."

Under no Democratic President since Franklin Delano Roosevelt during World War II has the ratio of Federal Government expenditures to gross national product risen as fast as it has under Mr. Reagan.

The 1983 Federal deficit set another post-World War II record. Having put his un-Keynesian former chief economic adviser Martin S. Feldstein at arm's length, the President now patiently explains that when the economy operates below capacity, deficits are not all that bad.

Ronald Reagan did not expect to find himself in this curious situation. His 1981 supply-side tax cuts were supposed to raise after-tax profit rates and thus spark an investment boom. Instead, profit rates remained low for two years after the tax cut. The reason: Profits are not made from idle factories, and a substantial portion of the capital stock of the nation still remains unused because of slack demand for output. Keynes would not have been surprised.

Despite an investment upturn during the second half of 1983, the President's Economic Report reveals that last year net private nonresidential fixed investment — a common measure of productive investment favored by economists and Administration spokesmen alike — fell to 1.5 percent of net national product, a post-World War II low. Even if the rosy investment projections recently released by the Commerce Department prove true, 1984 will still rival 1983 in this dismal contest, ranking second worst in the post-World War II era, with an investment level less than half what it was the year the tax cuts were passed.

Keynes Is Back, Thanks To Reagan

By Samuel Bowles

What, then, is fueling the recovery? Where is the expanding demand coming from?

In part, it is the result of consumer spending made possible by the virtual elimination of savings and through buying on credit.

But the big boost is from expanded Government spending and from the fact that while spending more, the Federal Government is taxing less, thereby adding to the total demand for goods and services without reducing the levels of private demand.

The big ticket item in Government expansion is, of course, military spending. Thus, today's recovery is a classic example of what has come to be called "military Keynesianism."

But military Keynesianism seems unlikely to reverse our accumulating economic difficulties. For one thing, the arrows aimed at Keynesian economics from the right were not entirely misplaced.

Keynes had taught that the management of total demand for goods and services was the main objective of Government economic policy. The supply-siders, by contrast, pointed to problems not of demand, but of supply, whence their name.

By the early 1970's, the Keynesian preoccupation with demand seemed outdated. Demand had been booming throughout the 1960's, but the profit rate and the rate of productivity increase had plummeted nonetheless.

According to supply-siders, the culprit was Government: Taxes and regulation of the environment and workplace safety had wrecked the work ethic and tied business up in red tape. However, even economists sympathetic to the supply-side conclusions have not had an easy time demonstrating the concrete importance of their favored culprit in accounting for the productivity slowdown, the decline in profits or the investment slump. And the significant cuts in both regulation and business taxes since the late 1970's appear to have done little to deal with either problem.

But the supply-siders are dead right that there is something very wrong with our system of production itself. Mounting evidence suggests that a deterioration of labor-management relations and a decline in a long-range management thinking and innovation have played a key role in our decade and a half long slide toward economic mediocrity.

However, it is not monetarism — Keynes's traditional adversary — that will do his theory in. If anything, it seems President Reagan may have

done monetarism in, by unwittingly demonstrating that, just as Keynesian economists had insisted, fighting inflation through a made-in-Washington recession is an exceptionally costly strategy. The Great Recession of 1979-82 — the longest since the 1830's — seems to have stopped the monetarists' logic in its tracks, since it promised that restrictive monetary policy would stop inflation without bringing the economy to a halt as well.

The supply-side economists who label to become purveyors of official doctrine for a brief period in the early days of this Administration come closer to having fingered the fatal flaw in the Keynesian approach.

Yet the Democrats — both in Congress and on the Presidential stump — seem to have made the worst of a very promising situation. For they have dismissed the twin truths of the supply-siders: that managing total demand is not enough and that something must be done about the structure of production itself. At the same time, they have turned their backs on the truth of Keynesian economics: that in a slack economy, with underused capacity and large-scale unemployment, a Government deficit will generally stimulate economic growth.

Richard Nixon should not be surprised. He must know that only he could have gotten away with being the first American President to go to China — and only Ronald Reagan could get away with bringing back John Maynard Keynes.

LISBON — When Secretary of State George P. Shultz visits Jakarta, this week, he must not ignore the plight of East Timor, where the Indonesian military has waged a war of extreme brutality, with little respite, for nearly nine years. While this conflict may seem remote from American concerns, the unfortunate facts show that the United States, through military aid and diplomatic support for Indonesia, is deeply involved in the tragedy of East Timor, my native land. In his meetings with the Indonesian leadership, Mr. Shultz has an obligation to address the situation.

An island territory north of Australia, exquisitely beautiful to those who know it, East Timor was a Portuguese colony for four centuries and developed a cultural identity and language quite different from neighboring Indonesia. Under the guise of fighting Communism — a false pretext, I believe, used to mask aggressive policies — Indonesia launched a full-scale invasion of East Timor in

Martinho da Costa Lopes was the Papal Administrator, or acting bishop, of East Timor from 1977 to 1982.

December 1975, after Portugal abandoned the territory.

Jakarta has tried to hide the truth by isolating East Timor from normal contact with the outside world. But from my own experience and that of my people, I can say that Indonesian forces have left a trail of ruin and violence of every sort, including torture, rape and massacre. The death toll, at the hands of the armies of an Indonesian nation numbering 160 million, has been catastrophic: More than 100,000 East Timorese, or more than one-sixth of our population, have died from warfare, starvation, executions and disease.

But the tragedy is far from over and in fact has intensified since last August, when Indonesian forces began a new military offensive aimed at crushing Fretilin, the non-Communist independence movement that continues to resist Indonesian rule. Letters that I have received from East Timor, including one from my successor as acting bishop, Monsignor Carlos Ximenes Belo, say that on top of new atrocities the offensive has created still another bout of human misery — this at a time when international relief agencies are pre-

Shultz, Help East Timor

By Martinho da Costa Lopes

vented by the Indonesian armed forces from operating freely in the territory. And, for the first time, the Roman Catholic Church in East Timor is the target of persecution.

With great sadness, I acknowledge that the United States, apparently because of close political and commercial links with Jakarta, has placed itself heavily on the Indonesian side of the conflict. Henry A. Kissinger, then Secretary of State, was in Jakarta in 1975 on the day before the invasion — it was widely known that Indonesia was set to invade — and stated that "the United States understands Indonesia's position on the question" of East Timor.

Since then, the East Timorese people have seen for themselves that many, if not most, of the weapons, bombers and military equipment used by the Indonesian forces are supplied by the United States. Although the invasion and occupation of East Timor was, and is, a flagrant violation of international law, condemned by the United Nations in 10 resolutions between 1975 and 1982, the United States has continued to give diplomatic support to Jakarta's claim that it has "integrated" the territory — even though the State Department admits that East Timor has not had the opportunity to exercise its internationally recognized right to self-determination.

I would have no objection at all if the people of East Timor, free of all pressure, internal and external, chose to be part of Indonesia. But I am convinced that 90 percent, if not 99 percent, would, if they were given the chance, vote for an Indonesian withdrawal — and, after all the death and untold suffering, who can blame them? Without a legitimate political solution, based on dialogue, the

tragedy will go on indefinitely. What could the United States do now? Secretary of State Shultz should be trying to persuade Indonesia's rulers that there is wisdom in a peace process and just political settlement for East Timor — a settlement based on authentic freedom of choice. To those who argue that this is impossible, that the Indonesian military will never accept an independent East Timor, I ask: Have such prospects prevented America from assisting the right of Afghanistan to be free?

Mr. Shultz should also press Indonesia to provide immediate and unrestricted access for all international humanitarian agencies seeking to work in East Timor, for journalists and other independent observers. As a churchman, I also feel that it is particularly important that the United States take all possible steps to defend the integrity of the East Timorese church — a church whose only offense is its refusal to betray our own people, to be silent while they remain prisoners in their own country. For the church, as for all my people, freedom is the basic issue.

Shares weaker across the board

TEL AVIV. - The falls that set in last Thursday continued with greater force when trading reopened yesterday. All sectors of shares fell, not excluding the bank shares. Bonds were stronger, mainly as a result of rises in the dollar-linked bond group.

The share market showed a uniform weakness. The general market, the arrangement index, and the "free" share sector all fell by much the same margins of one to two per cent. Volume in the share market was lower than in the previous session, at \$589 million, but what is surprising is the fact that the "arrangement" banks took more than 70 per cent of this, leaving only \$160m. for the "free" market. This corresponds to some \$650,000 and represents a new low in the process of drying-up which the share market is passing through.

Most of the "arrangement" shares lost 2 per cent, with the Finance and Trade 155 moving against the trend and adding 10 per cent.

The low volumes in the rest of the market produced the usual crop of absurdities, with the Arzom option losing over 6 per cent on a turnover of \$1,600, or \$6 and change. Better yet was the Atlantic option, which gained almost 10 per cent on a transaction of 500 shekels (\$2). But the champion of them all, in an almost unassailable position, was the Eftan option, which managed to lose 5.8 per cent of its value on a deal totalling 100 shekels.

Tel Aviv Stock Exchange

By PINHAS LANDAU

It should be pointed out that the opening bids or offers on these issues are usually quite large, but as the share or option moves in price, the bids or offers are cancelled and the volume shrivels, so that the final volume can be quite small. Nevertheless, moves of such magnitude on such minimal volumes are nothing but ridiculous.

On the bond market the volume continued to shrink, and prices were generally little changed, except for the dollar-linked and double-option bonds, which seem still to benefit from the interest in dollar-linked investments.

The business news was of more interest than the trading yesterday, including a takeover and other important announcements from several companies (see below).

Announcements:
Terol Exploration International announced that it has acquired a major stake in another oil exploration company, North American Oil. According to the figures the company published, it has 40.7 per cent of the voting rights and 58.45 per cent of the total capital of North American.

The stake was acquired primarily

MARKET STATISTICS

General Share Index

Non-bank index	248.52	-1.52%
Arrangement	191.89	-1.17%
Bank index	287.49	-1.65%
Industrials	197.03	-1.01%
Bond index	224.66	+0.36%

Turnovers

Shares	\$589.5m.
Bonds	\$146.3m.
Total	\$735.8m.
Advances	245
Declines	245
of which 5% +	5%
of which 5% -	5%
"Buyers only"	8
"Sellers only"	22

Bond market trends

4% fully-linked:	mixed to 3%
3% fully-linked:	stable
80% linked:	rises up to 2%
90% linked:	rises up to 3%
Double-option:	stable up
Dollar-linked:	rises to 5%

Most active shares

Leumi	3030	\$158.7m.	-36
Hapoalim	6200	\$131.7m.	-136
IDB	9120	\$58.9m.	-186

Sharpest moves

Pollak opt.	110	-28
Hatchol 151	331	-58
Devises opt.	80	+10

through buying up and exercising the rights recently issued by North American. Large blocks of rights were not taken up by existing shareholders and were offered for sale on the market. It will be recalled that the rights traded at 2 agorot each, after opening at 32, but the whole amount on offer was absorbed at that price and, it now appears, exercised. Terol says it spent \$700,000 on the rights and their exercise cost.

It regards the investment as an indirect investment in oil exploration, with the money coming from its own resources.

Harel Bonded Warehouses reported that, as a result of the company's difficult liquidity position, it sold its inventory of spare parts, equipment and machines to one of its subsidiary companies for \$255,000. These funds will be used for working capital and repayment of bank loans.

Atlantic Fisheries announced that as from this month it will market its own products. In a separate announcement, Atlantic said it sold a fishing vessel to Arad in which it has a stake, for \$600,000 which will be paid out of the proceeds of future sales.

The Bank of Israel has reduced the amount of Treasury bills it is auctioning to the public this week to \$1 billion. This follows the poor response to the last two weekly issues.

Trade exhibits in European cities

TEL AVIV. - Yeridei Ha'Uma (Events and Expositions) will open the first of a series of trade exhibitions this August simultaneously in London, Paris, Frankfurt, Rome and Amsterdam.

The first exhibition, which will be held in hotels in these cities, will be devoted to tourism. Others will deal with advanced technology, processed foods, jewelry and computers. Each exhibition will last from four to six weeks and will cost approximately \$50,000.

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Commercial Banks

OHH r	2242	1	n.c.
Maritime U.S.	1020	421	n.c.
Maritime U.S.	399	717	-
N. American	1888	77	-10
N. American	1536	162	-7
N. Amer. op	2377	112	-3
Danot 1	355	62	+32
Danot 2	81	1192	+5
Danot sc 2	190	15	-16
First Int'l S.	346	1057	-16
FIBI 0.5	371	560	-25

Commercial Banks (part of "arrangement")

IDB r	9120	755	-180
IDB B r	10000	-	n.c.
IDB p A	59600	-	n.c.
Union 0.1	6900	44	-
Discount A r	11800	75	n.c.
Discount B r	1670	252	-240
Discount C r	1460	10	+99
Mizrahi r	3819	338	-1
Mizrahi c r	3740	33	-75
Mizrahi c n	1720	78	+59

Real Estate, Building

Grudi 1	402	71	n.c.
Grudi 2	329	122	n.c.
Oren	190	115	-10
Oren 2	75	709	n.c.
Ben Yakar 1	273	336	-18
Ben Yakar 2	240	117	-20
Elion	62	101	n.c.
Elion op	46	60	n.c.
Elion 2	164	73	n.c.
Elion 3	123	-	n.c.
Elion 4	175	-	n.c.
Elion 5	177	-	n.c.
Elion 6	177	-	n.c.
Elion 7	177	-	n.c.
Elion 8	177	-	n.c.
Elion 9	177	-	n.c.
Elion 10	177	-	n.c.
Elion 11	177	-	n.c.
Elion 12	177	-	n.c.
Elion 13	177	-	n.c.
Elion 14	177	-	n.c.
Elion 15	177	-	n.c.
Elion 16	177	-	n.c.
Elion 17	177	-	n.c.
Elion 18	177	-	n.c.
Elion 19	177	-	n.c.
Elion 20	177	-	n.c.

Mortgage Banks

Arad 0.1	118	19	n.c.
Arad 0.2	1291	20	-2
Arad 0.3	1291	-	-2
Arad 0.4	940	75	-60
Arad 0.5	365	125	n.c.
Arad 0.6	1431	5	-150
Arad 0.7	426	165	-9
Arad 0.8	-	-	-
Arad 0.9	-	-	-
Arad 1.0	-	-	-
Arad 1.1	-	-	-
Arad 1.2	-	-	-
Arad 1.3	-	-	-
Arad 1.4	-	-	-
Arad 1.5	-	-	-
Arad 1.6	-	-	-
Arad 1.7	-	-	-
Arad 1.8	-	-	-
Arad 1.9	-	-	-
Arad 2.0	-	-	-

Financial Institutions

Shilon r	72	600	-8
Shilon op	1095	-	-15
Shilon 2	12400	-	-
Shilon 3	22480	-	-
Shilon 4	1150	-	-
Shilon 5	-	-	-
Shilon 6	-	-	-
Shilon 7	-	-	-
Shilon 8	-	-	-
Shilon 9	-	-	-
Shilon 10	-	-	-
Shilon 11	-	-	-
Shilon 12	-	-	-
Shilon 13	-	-	-
Shilon 14	-	-	-
Shilon 15	-	-	-
Shilon 16	-	-	-
Shilon 17	-	-	-
Shilon 18	-	-	-
Shilon 19	-	-	-
Shilon 20	-	-	-

Insurance

Arayeh r	498	103	-75
Arayeh op	380	60	-32
Arayeh 2	5000	-	-
Arayeh 3	331	3	-
Arayeh 4	160	24	+6
Arayeh 5	827	-	-4
Arayeh 6	189	25	-11
Arayeh 7	222	-	-8
Arayeh 8	787	415	-6
Arayeh 9	990	-	-25
Arayeh 10	471	-	-35
Arayeh 11	1100	-	-
Arayeh 12	941	-	-
Arayeh 13	1500	-	-
Arayeh 14	279	24	-6
Arayeh 15	127	61	-6
Arayeh 16	99	-	-147
Arayeh 17	260	-	-14
Arayeh 18	479	-	-3
Arayeh 19	700	-	-18
Arayeh 20	391	163	n.c.
Arayeh 21	601	-	-
Arayeh 22	358	29	+4
Arayeh 23	155	80	-7

Trade & Services

Inter-Gamma 1	335	130	-5
Inter-Gamma 2	169	80	+10
Inter-Gamma 3	71	-	+2
Inter-Gamma 4	612	2	n.c.
Inter-Gamma 5	335	5	-55
Inter-Gamma 6	181	3	+10
Inter-Gamma 7	154	16	+11
Inter-Gamma 8	37	79	+1
Inter-Gamma 9	367	70	-10
Inter-Gamma 10	490	74	-10
Inter-Gamma 11	215	30	+7
Inter-Gamma 12	1853	b.o.l.	+88
Inter-Gamma 13	483	13	-4
Inter-Gamma 14	1600	38	-40
Inter-Gamma 15	754	348	-6
Inter-Gamma 16	1010	111	-30

Food and Tobacco

Atlas op	438	20	-2
Atlas 2	203	80	-21
Atlas 3	87	56	n.c.
Atlas 4	39	1	+3
Atlas 5	171	32	-4
Atlas 6	69	-	-3
Atlas 7	60	45	+5
Atlas 8	3950	30	+150
Atlas 9	147	-	-
Atlas 10	385	18	-
Atlas 11	328	-	-
Atlas 12	302	-	-

Services

Delek r	2100	183	-14
Delek op	850	5	-30
Delek 2	790	-	+30
Delek 3	1055	-	-55
Delek 4	630	204	-40
Delek 5	16650	-	-
Delek 6	8028	-	-80
Delek 7	665	17	-20
Delek 8	453	125	-28
Delek 9	279	19	n.c.
Delek 10	334	28	-18
Delek 11	215	30	-2
Delek 12	329	8	-4
Delek 13	413	-	-21
Delek 14	179	37	-1

Hotels, Tourism

Galei Zohar 1	849	29	n.c.
Galei Zohar 2	416	44	n.c.

Textiles and Clothing

Off. op	140	116	-4
Baruch 1	91	30	-3
Baruch 2	270	10	+2
Baruch 3	270	10	+2
Baruch 4	270	10	+2
Baruch 5	270	10	+2
Baruch 6	270	10	+2
Baruch 7	270	10	+2
Baruch 8	270	10	+2
Baruch 9	270	10	+2
Baruch 10	270	10	+2
Baruch 11	270	10	+2
Baruch 12	270	10	+2
Baruch 13	270	10	+2
Baruch 14	270	10	+2
Baruch 15	270	10	+2
Baruch 16	270	10	+2
Baruch 17	270	10	+2
Baruch 18	270	10	+2
Baruch 19	270	10	+2
Baruch 20	270	10	+2

Computers

Data	235	15	+5
Hylon 1	615	105	n.c.
Hylon 2	1008	-	-
Hylon 3	561	48	-62
Hylon 4	301	3	-4
Hylon 5	19	-	-1
Hylon 6	305	-	-
Hylon 7	960	10	-11
Hylon 8	335	7	+15
Hylon 9	570	2	n.c.
Hylon 10	241	-	+6
Hylon 11	330	5	n.c.
Hylon 12	101	-	n.c.
Hylon 13	194	55	n.c.
Hylon 14	1125	10	n.c.
Hylon 15	970	-	-

Metals and Metal Products

Octagon	254	-	-1
Octagon 2	262	-	-1
Octagon 3	262	-	-1
Octagon 4	262	-	-1
Octagon 5	262	-	-1
Octagon 6	262	-	-1
Octagon 7	262	-	-1
Octagon 8	262	-	-1
Octagon 9	262	-	-1
Octagon 10	262	-	-1
Octagon 11	262	-	-1
Octagon 12	262	-	-1
Octagon 13	262	-	-1
Octagon 14	262	-	-1
Octagon 15	262	-	-1
Octagon 16	262	-	-1
Octagon 17	262	-	-1
Octagon 18	262	-	-1
Octagon 19	262	-	-1
Octagon 20	262	-	-1

Electrical Machinery

Electra 1	353	35	-30
Electra 2	161	70	-5
Electra 3	236	88	-10
Electra 4	161	100	+10
Electra 5	314	12	+1
Electra 6	450	10	+15
Electra 7	300	15	n.c.
Electra 8	401	-	-
Electra 9	380	50	-3
Electra 10	327	20	-8
Electra 11	163	90	n.c.
Electra 12	113	125	-1
Electra 13	762	-	-

Art Rath
Editor and
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**THE JERUSALEM
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Erwin Frenkel
Editor

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What they don't say

THE CENTRAL issue over which early elections were called four months ago, it may be faintly remembered, was the state of the economy. It was to be expected, therefore, that the great divide between the Likud and the Alignment in the election campaign would be over economic policy. However, as the campaign marches on to the tune of jingles, economic policy is being much talked about (and that, of course, almost only by the opposition), but nothing is being said.

The Likud's reticence is understandable. Finance Minister Yigal Cohen-Orgad, who will be remembered for using not just inflation, but hyperinflation, as a policy tool, has found that he cannot get the genie back into the bottle. Therefore he is either silent on inflation or says it's not a big issue.

The Likud's campaign managers feel more comfortable in shifting the debate from the nation's economic plight to the atmosphere of personal well-being they have contrived. They are confident that the voters won't understand the connection, namely that the very individual affluence they have created is one of the causes of the collective national crisis.

The Labour party has in part allowed the Likud to push it onto the same ground of discussing how the individual citizen has fared under the Likud, but on its own economic programme for the national economy it has been vague.

Perhaps politicians who have a good chance of gaining power cannot always put all their cards on the table. Small parties can be more outspoken because responsibility won't be theirs. Moreover, they fear that their statements in a campaign can affect immediate economic decisions by the public.

Thus, both Cohen-Orgad and Labour's Gad Ya'acobi were in agreement in a debate last week that the means by which exports are to be promoted is the "effective exchange rate." But both of them were reticent about what that really means. Had they said "devaluation," they might have caused an even madder stampede to buy foreign currency than what we have been witnessing for weeks now.

However, when all allowances are made for electoral timidity or caution which prompts the economic spokesmen on both sides of the fence to sidestep the real issues, there remains the impression that they underestimate the maturity of the public. The politicians fear to frighten the public — and that very fear seems to frighten the public even more.

There are still two weeks of campaigning to go. More appeal to the maturity of the public might not only pay off better electorally, it would also be more responsible. The public, after all, has a shrewd sense of the constraints to which economic policy will be subject after the elections, no matter who will be responsible for it. The flight from the shekel to foreign currency, the buying spree, the wave of strikes and sanctions are incontrovertible evidence of what the public anticipates.

What voters want to hear from the political-economic leaders is not what they intend to achieve — a revival of growth, the throttling down of inflation, the improvement of the payments balance — but how they intend to achieve these goals.

STEPPED-UP EFFORTS

(Continued from Page One)

especially regarding chemical and military exports and industrial planning. The strike affects the Israel Aircraft Industries, the Israel Military Industries, universities, municipalities and local authorities, Israel Railways, several government hospitals, and chemical and munitions factories.

Bank Leumi workers said that they will begin informational efforts only today, but may take stronger action by Thursday if demands for higher pay are not met. The workers declared a labour dispute two weeks ago.

Bank Igd and Bank Leumi Mortgage Bank workers are also involved in the action, which aims to make up for wage erosion during 1983, when the workers say they held back on demands because of the bank's financial problems.

Bank Discount workers are to return to their jobs after a one-day strike yesterday, but the Bank Leumi dispute could easily spill over into the whole financial sector, where wages at different institutions are traditionally linked to each other.

Customs workers at the country's air and sea ports will renew their slowdown tomorrow. They will check every incoming passenger for contraband and will not work overtime. The action was suspended last week to allow negotiations over their wage demands, but workers' representatives said yesterday that no progress had been achieved. The action is expected to lead to long delays for incoming passengers at Ben-Gurion Airport.

In Haifa, the Marine Officers Union yesterday closed the port for 24 hours in protest against the forced early retirement of the harbour master by the Ports Authority.

From 12:30 p.m. yesterday until the same time today, the port pilots, who as sea captains are union members, are refusing mandatory pilot services to freighters due to enter or leave the port. As a result, two or three freighters were delayed yesterday.

In addition, they held up three passenger ships, with a total of 2,400 Israelis and tourists on board, for three hours.

The union called the flash strike to protest against the early-retirement order issued to harbour master Captain Ya'acov Finkelstein "because it violates the labour agreement, proper procedure and elementary decency, having been issued while Finkelstein was on his annual vacation and without consulting him," union secretary Erez Ivry said.

Finkelstein, who is 62, has been at the post for 11 years, and before that worked as a port pilot and sailed with the Merchant Marine. He would be unable to receive the Merchant Marine part of his pension before the mandatory retirement age of 65. For this and other reasons he did not agree to retire.

Ports Authority director Yitzhak Rahav said the law empowers him to retire staff at age 60, and employees

are entitled to appeal to a special committee. He maintained that the authority did in fact consult Finkelstein, but he refused to agree. The order was sent before he went on leave. Rahav added.

The port strike may force three U.S. Sixth Fleet frigates to delay their scheduled morning arrival today. The USS John L. Hall, Samuel Elliot Morison and Truett are coming for a month for repairs.

Eight port's 300 stevedores returned to work before noon yesterday after two days of negotiations with management through labour council head Meir Biton.

The stevedores had protested against the lack of a paramedic on call. "It's not always possible to get a medic, and we feel it's also unnecessary unless there are ships to unload," said David Segal, the port's manager. The port handles about six ships per month.

Mayor Rafi Hochman hoped the two sides would agree on his compromise solution, which calls for the port authorities to train some of the workers in first aid and cardio-respiratory resuscitation.

Haifa and Ashdod oil refinery workers also resumed normal tasks after accepting a pay formula on the same terms as that given to Israel Electric Corporation workers last week.

The agreement, within the framework of the public-sector wage accord, allows employees to receive a parity increment or other bonuses if given to any government corporation employees.

The workers had prevented supplies of fuel, including heavy fuel oil for industry and the IEC, from leaving the plants on Thursday to press their demands for the parity bonus.

In the private sector, negotiations between the Histadrut and the Coordinating Bureau of Economic Organizations are due to resume at Histadrut headquarters today. While the Histadrut is continuing to insist that an agreement be signed before the election, labour federation sources say privately that such an eventuality is unlikely.

The Histadrut is said to be willing to settle for a pre-election increase of some 10 per cent and to sign after the vote.

Wide differences between the positions of the two sides were reported at last week's meeting. The Histadrut is demanding the same average wage increase as that given to public-sector employees, 15.8 per cent, beginning this month and next. But employers' negotiating team head Uzi Natanel said recently that the employers can only afford to pay much less.

Haberfeld said that the immediate aim is to agree on a two-year wage hike for private-sector workers. Negotiations over reduced work hours, pension conditions, and a minimum wage could be left until after the elections, he told a combined meeting of private sector union leaders and labour council heads.

LIBERTY AND KIBBUTZ

By ALLAN E. SHAPIRO

THE VISIT of Likud activists in kibbutzim has revealed a surprising unanimity among legal commentators. Kibbutz spokesmen have pointed out that the kibbutz leases its land from the Israel Lands Authority and have claimed the right to exclude uninvited guests.

In practice, the kibbutzim have merely insisted on the reasonable requirement that such visits be coordinated in advance.

According to a report in *Davar*, the legal adviser of the police appears, by implication, to agree that the kibbutz has the right to exclude political propagandists at its discretion and that such uninvited visitors are trespassers. From an item in the weekly *Koterer Rashit*, it appears that counsel for the Likud is in agreement and its activists must leave the kibbutz premises, if requested to do so.

In the light of this consensus, it may seem rash to raise an eyebrow, let alone an objection. Still it ripples that, in a matter concerning the kibbutz, exclusive emphasis is placed on property law concepts. Fortunately, in their concrete behaviour, the kibbutzim have given due weight to the conflicting human rights issues involved, in keeping with kibbutz values.

Chickasaw, Alabama, may seem, at first glance, remote in every sense from the Israeli kibbutz. However, events there, almost 40 years ago, provide a suggestive parallel.

Chickasaw was a company town in the American Deep South, owned lock, stock and barrel by a private

corporation which owned all the land and provided employment and services to all the community.

The obnoxious missionary sect, Jehovah's Witnesses, distributed religious literature on the streets of the company town, despite company regulations prohibiting such activity.

The uninvited guests on the private property of the company town were charged and convicted of trespassing.

ON APPEAL to the United States Supreme Court, the conviction was reversed. Writing for the court's majority in this landmark case of *Marsh v. Alabama* (1946), Justice Hugo Black declared as follows:

"The state urges in effect that the corporation's right to control the inhabitants of Chickasaw is coextensive with the right of a home-owner to regulate the conduct of his guests. We cannot accept that contention. Whether a corporation or a municipality owns or possesses the town, the public in either case has an identical interest in the functioning of the community in such manner that the channels of communication remain free."

Professor Laurence H. Tribe, in his authoritative treatise on American constitutional law, explains that the majority saw as the pertinent issue whether a state could protect private property rights by allowing company town owners to invoke trespass laws

even though, in so doing, the state would deny residents of such towns and those who wish to communicate with such residents free speech rights which the state could not otherwise deny — simply because those rights must inevitably be exercised on private property.

Replace "corporation" with "cooperative association" or "kibbutz," as appropriate, and the parallel is obvious. Moreover, the kibbutz, unlike Chickasaw, has municipal status, under the Israeli law of municipalities. The kibbutz secretary is legally recognized as the local municipal authority.

Indeed, the kibbutz performs many municipal functions in education, sanitation, road building and maintenance, street illumination and so forth. In the performance of these functions, it quite properly receives support from public sources in various forms.

Moreover, its municipal expenses are recognized as such for tax purposes. It is an open question whether the kibbutz can enjoy municipal status for some purposes and, at the same time, raise private property objections to the performance of municipal obligations, such as the freedom of political communication.

KIBBUTZ MEMBERS should be the most interested party in assuring that communication remains open.

True, the democratic character of kibbutz society provides safeguards not present in the company town. Still, there are minority political views in most kibbutzim, sometimes those of isolated individuals, which deserve the protection of open channels of expression.

There are pertinent local examples, without going back to the warnings of Alexis De Tocqueville, to demonstrate that democracy can be perverted into mass tyranny. Even the independent-minded kibbutz membership can, under conditions of pressure, turn into a herd of independent minds.

But most of all, it would be demeaning to kibbutz members in general, irrespective of their political views, to isolate themselves from contrary opinions, and it should be noted with satisfaction that, in fact, they have not done so.

Voting procedures in the kibbutz is another area in which dissenting voices in the kibbutz deserve protection. A common practice is for each kibbutz to serve as a separate polling station. The practical effect is to impair, in some cases, the secrecy of the ballot, as guaranteed by law.

This is so because of two factors on the kibbutz scene which, in conjunction, work against a secret vote. They are the small number of voters and the high degree of homogeneity in voting behaviour. To the extent

that as the number of voters diminishes and the conformity of the voting pattern increases, the possibility of identifying the dissident voters grows. Experience confirms that this is more than just a theoretical possibility.

In a community in which group pressures for conformity are likely to be most severe in areas that truly matter, this should be cause for concern. Quite apart from the legally protected right to secrecy, the possibility, even speculative, of identifying the few who deviate in voting behaviour from the group norm is unhealthy for kibbutz society and undermines social solidarity, the rock on which it rests.

It may have been the case in the past that comparative isolation and inadequate transportation facilities made it necessary for each kibbutz to be a separate polling station. Conditions have changed, and voting procedures should change with them.

Today, with children making the short trip daily to regional schools and their parents to regional economic enterprises, there seems little justification for continuing the voting arrangements of an earlier period. Any increase in the area covered by the polling station, such as combining two kibbutzim for voting purposes, would increase the secrecy of the ballot geometrically.

As in the case of the visits of Likud activists, isolation impairs basic liberties.

The writer is a political scientist and a member of Kibbutz Deganyah Aleph.

Lament for Lisa

By SUSAN HATTIS ROLEF

severe pressure is not difficult to sympathize with. Yet, is she aware of the price in grief and economic resources which her relief cost the state and tens of thousands of individuals?

Is she aware of the fact that the Katyushas will stop falling for good only after a solution to the Palestinian problem is found? Is she aware of the fact that Katyushas are already falling very close to the Israeli border, and it is only a matter of time before one hits an Israeli target — irrespective of the massive Israeli presence in Southern Lebanon and the high price in life and maimed which we are all paying?

No, certainly she cannot be aware of all of these — but her mother must be. The mother defended her daughter's right to express herself — she

must indeed have been very proud to see her daughter giving such a brilliant performance on television. I am very proud to see my three daughters perform. One of them is now in France representing Israel in a children's folklore festival. Another sings regularly with a choir which is often invited to perform at the president's residence on special occasions. The third is a natural acrobat and mimic, and eagerly volunteers whenever volunteers are sought (and sometimes when they are not...).

Even if my own party had approached me to let my daughters perform in the Labour broadcasts, I would have absolutely refused to grant permission. My children all identify with Labour because they identify with me, because they have

personally met many Labour leaders and all sat on the lap of the late Yigal Alon. But they do not really understand the issues — not even the eldest, aged 14, who is a member of the Hashomer Hatzair and whose current boyfriend is a Moroccan boy from a large family of staunch Likud supporters.

WHO KNOWS what they will be when they grow up? Why should they carry the stigma of having had their talents as children exploited to further the cause of a party which they might not support as adults — even the party of which their parents are active members or supporters?

Yes, Lisa is, for the time being, free of the trauma of Katyushas, but she was introduced to a new trauma — the trauma of our intolerance for

each other. Her mother, an ex-kibbutznik and a teacher at a kibbutz school, must have been aware of the strong emotions which her daughter's performance could evoke in certain circles. She could have saved her child from this trauma.

The man who called Lisa up and threatened her (who was he: a provocateur? a father who lost a son in the Lebanon? a narrow-minded Labour activist? a kibbutznik with very strong feelings about the Likud which does not hide its contempt for the kibbutzim?) is just as bad as the Likud hoodlums who threatened and caused bodily harm to the elderly moshavnik who appeared in a Labour broadcast during the 1981 elections to describe the gloomy state of her farm.

What he and others did is unforgivable — not because it might lose Labour some votes but because such behaviour makes Israel an unpleasant place to live in, because this is not the way — and this is not the hope.

The writer is a freelance contributor, researcher and lecturer.

READERS' LETTERS

PIANIST'S COMPLAINT

To the Editor of The Jerusalem Post: Sir, — Your June 15 interview with pianist Ivo Pogorelich should have been captioned "Arrogant star to be" and not "Shooting star."

Rarely have I encountered such rudeness, insensitivity and arrogance on the part of a young artist. One assumes, of course, that he has been accurately reported by your correspondent.

His brash comments in particular about the Mann Auditorium piano (where we not taught something at school about a workman blaming his tools?) are ungracious beyond tolerance. Pianists who have long-established international reputations have visited Israel and never been so rudely outspoken. And they, too, have played to audiences of musicians in the Mann Auditorium.

However, if and when Mr. Pogorelich plays here again, I hope he will show a little more humility which, after all, is the sign of true greatness. Perhaps he might then be permitted to play on the new Steinway Grand which I read in the current I.P.O. programme has just been donated to the I.P.O. by Leonard Schach. This piano has been specially chosen for us by Daniel Barenboim himself. Mr. Barenboim has time and again played on our old piano without public, whining complaint.

ZIPORA RUBENS

Tel Aviv.

PENFRIENDS

CANDIS WARRINGTON (24), of 148 Queenspark Drive, Christchurch 9, New Zealand, would like to correspond with Israelis. Her interests include ceramics, fishing and cooking.

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ARAFAT DENIAL

To the Editor of The Jerusalem Post

Sir, — In a letter which appeared on May 14, Sari Nuseibeh refers to a report in *Le Nouvel Observateur* in which Yasser Arafat is reported as saying that he favoured negotiations between Israel and the PLO under UN auspices. Furthermore, he is reported to have suggested mutual recognition by Israel and the PLO.

On May 5, Arafat assured the Kuwait news agency (KUNA) that he never made the remarks attributed to him in Paris. So much for that.

OSCAR MILLER, Chairman
Zionist Alliance Commission
(Midwest Region)
Zionist Organization of America,
Chicago.

ORDE WINGATE

To the Editor of The Jerusalem Post

Sir, — A new stamp is being issued in honour of the late Major General Orde Wingate. Our great friend Wingate had two given names, Orde Charles, and unfortunately, the stamp carries them in the wrong order.

It is not the Philatelic Service which is at fault. The error first appeared in a book about Wingate which was published 20 years ago and has been repeated constantly ever since. Things reached such a pass that the translator of Christopher Sykes' well-known book on Orde Wingate (or the editor of the translation) "corrected" the order of Wingate's given names in the Hebrew version.

AVRAHAM AKAVIA

Haifa.

THE JEWISH AGENCY

To the Editor of The Jerusalem Post

Sir, — Congratulations for publishing serious analyses of the pathetic state of Jewish Agency affairs, such as Charles Hoffman's piece on the university funding crisis (June 27). The major reason the Agency fails to stand up to the government on university funding, or other issues, is that the Agency is not really an independent body representing the Jewish people, but basically an appendage of the Israeli political

system, where second-rate politicians run amuck with massive budgets without accountability.

When both Diaspora fund-raisers and Israelis realize how far the Agency is from realizing and implementing its lofty goals and purpose, then perhaps the necessary changes will start. Please continue to shed light on this national scandal and embarrassment.

JON MEDVED

Jerusalem.

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